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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 ("**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 U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A).

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

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

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

The document has been sent to you in the belief that you are (a) a person in member states of the European Economic Area ("**EEA**") that is a "qualified investor" within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC (as amended) ("**Qualified Investor**"), (b) in the United Kingdom, a Qualified Investor of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer and (c) a person to whom the document can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return the document immediately.

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 Carlyle Global Market Strategies Euro CLO 2014-2 Designated Activity Company, Citigroup Global Markets Limited nor CELF Advisors LLP (or any person who controls any of them or any director, officer, employee or agent of any of them, or

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

CARLYLE GLOBAL MARKET STRATEGIES EURO CLO 2014-2 DESIGNATED ACTIVITY COMPANY

(a designated activity company incorporated under the laws of Ireland with registered number 541125 and having its registered office in Ireland)

€234,600,000 Class A-1 Senior Secured Floating Rate Notes due 2027
€31,400,000 Class A-2A Senior Secured Floating Rate Notes due 2027
€11,600,000 Class A-2B Senior Secured Fixed Rate Notes due 2027
€26,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2027
€21,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2027

This Offering Circular incorporates by reference the final Offering Circular dated 25 June 2014 (the "**2014 Offering Circular**") relating to the Original Notes (defined below). Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2014 Offering Circular. The 2014 Offering Circular is attached hereto as Annex A.

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Obligations, Mezzanine Obligations and High Yield Bonds managed by CELF Advisors LLP (the "**Collateral Manager**").

On 26 June 2014 (the "**Original Closing Date**") Carlyle Global Market Strategies Euro CLO 2014-2 Designated Activity Company (the "**Issuer**") issued the Class A-1 Notes (the "**Original Class A-1 Notes**"), Class A-2A Notes (the "**Original Class A-2A Notes**"), the Class A-2B Notes (the "**Original Class A-2B Notes**"), the Class B Notes (the "**Original Class B Notes**"), the Class C Notes (the "**Original Class C Notes**" and, together with the Original Class A-1 Notes, the Original Class A-2A Notes, the Original Class A-2B Notes and the Original Class B Notes, the "**Refinanced Notes**"), the Class D Notes, the Class E Notes and the Subordinated Notes (the Refinanced Notes together with the Class D Notes, the Class E Notes and the Subordinated Notes, the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed (the "**Trust Deed**") dated 26 June 2014, made between (amongst others) the Issuer and State Street Bank and Trust Company, in its capacity as trustee (the "**Trustee**").

On or about 15 February 2017 (the "**Refinancing Date**", and with respect to the Refinanced Notes, the "**Redemption Date**"), the Issuer will, subject to the certain conditions, refinance the Original Class A-1 Notes, the Original Class A-2A Notes, the Original Class A-2B Notes, the Original Class B Notes and the Original Class C Notes by issuing €234,600,000 Class A-1 Senior Secured Floating Rate Notes due 2027 (the "**Class A-1 Notes**"), €31,400,000 Class A-2A Senior Secured Floating Rate Notes due 2027 (the "**Class A-2A Notes**"), €11,600,000 Class A-2B Senior Secured Fixed Rate Notes due 2027 (the "**Class A-2B Notes**"), €26,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class B Notes**") and €21,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class C Notes**" and, together with the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes and the Class B Notes, the "**Refinancing Notes**" and, together with the Class D Notes, the Class E 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 15 February 2017 (the "**Issue Date**"), made between (amongst others) the Issuer and State Street Bank and Trust Company, in its capacity as trustee (the "**Trustee**").

Interest on the Refinancing Notes will be payable semi-annually in arrear on 15 February and 15 August in each year, commencing on 15 August 2017 and ending on the Maturity Date (as defined below) (subject to any earlier redemption of the Refinancing Notes and in each case subject to adjustment for non-Business Days in accordance with the Conditions) in accordance with the Priorities of Payment described herein.

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

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

This Offering Circular 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**"). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List (the "**Official List**") and trading on the regulated market of the Irish Stock Exchange (the "**Main Securities Market**"). 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 (as amended) and/or which are to be offered to the public in any Member State of the European Economic Area. There can be no assurance that any such listing will be granted or, if granted, that such listing and admission to trading will be maintained. This Offering Circular constitutes a "prospectus" for the purposes of the Prospectus Directive and 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 2003/71/EC Regulations 2005 (as amended) of Ireland.

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 upon acceleration of the Refinancing Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due on the Refinancing Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Irish Account and the rights of the Issuer under the Corporate Services Agreement (each as defined herein)) 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 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) 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 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 Citigroup Global Markets Limited in its capacity as placement agent of the offering of such Refinancing Notes (the "**Placement Agent**") subject to prior sale, when, as and if delivered to and accepted by the Placement Agent, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the Issue Date.

Citigroup

Sole Arranger and Placement Agent

The date of this Offering Circular is 15 February 2017

*The Issuer accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of the 2014 Offering Circular headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and the sections in this document headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "Description of the Collateral Manager" (together, the "**Collateral Manager Information**"). To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), the Collateral Manager Information is in accordance with the facts as at the date of publication and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of the 2014 Offering Circular headed "Description of the Collateral Administrator" (the "**Collateral Administrator Information**" and, together with the Collateral Manager Information, the "**Third Party Information**"). To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), the Collateral Administrator Information is in accordance with the facts as at the date of publication and does not omit anything likely to affect the import of such information. Except for the Collateral Manager Information, in the case of the Collateral Manager and the Collateral Administrator Information, in the case of the Collateral Administrator, neither the Collateral Manager nor the Collateral Administrator accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.*

*The Third Party Information, the information contained in the section of the 2014 Offering Circular headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Placement Agent and its Affiliates" and the section in this document headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Placement Agent and its Affiliates" (the "**Placement Agent Information**") has been reproduced from information published by, respectively, the Third Parties and the Placement Agent. The Issuer has only made very limited enquiries with regards to the accuracy and completeness of the Third Party Information and the Placement Agent Information. As far as the Issuer is aware and is able to ascertain from information published by the Third Parties and the Placement Agent, this information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Refinancing Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information and the Placement Agent Information.*

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

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Placement Agent, the Collateral Manager, the Collateral Administrator, any of their respective Affiliates or any other person to subscribe for or purchase any of the Refinancing Notes. The distribution of this Offering Circular and the offering of the Refinancing Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering

Circular comes are required by the Issuer and the Placement Agent to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer (all such persons together being referred to as "relevant persons"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Refinancing Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions" below. The Refinancing Notes are not intended to be sold and should not be sold to retail investors. See further "Plan of Distribution – Retail Investor Restriction".

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

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty on the Functioning of the European Union, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "**Exiting State(s)**"), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s) and any references to "US Dollar", "US dollar", "USD", "U.S. Dollar" or "\$" shall mean the lawful currency of the United States of America.*

Each of Moody's Investors Service Ltd and Fitch Ratings Limited are established in the EU and are registered under Regulation (EC) No 1060/2009 (as amended).

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

In connection with the issue of the Refinancing Notes, no stabilisation will take place and Citigroup Global Markets Limited will not be acting as stabilising manager in respect of the Refinancing Notes.

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.

RETENTION REQUIREMENTS

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 Retention Requirements or any other regulatory requirement. None of the Issuer, the Arranger, the Collateral Manager, any Collateral Manager Related Person, the Placement Agent, the Collateral Administrator, 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 Refinancing 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. Investors are directed to the further descriptions of the Retention Requirements in "*Risk Factors – Regulatory Initiatives*", "*Risk Factors – Regulatory Initiatives – EU Risk Retention and Due Diligence*" and "*Description of the Collateral Management and Administration Agreement – Retention Requirements*".

The Monthly Reports will include a statement as to the receipt by the Issuer and the Trustee of a confirmation from the Collateral Manager as to the holding of the Retention Notes, which confirmation the Collateral Manager will undertake, upon request, to provide to the Issuer and the Trustee on a monthly basis.

U.S. CREDIT RISK RETENTION REQUIREMENTS

The Collateral Manager will represent and undertake to the Issuer, the Trustee and Placement Agent to hold the Retention Notes on the terms set out in the Collateral Management and Administration Agreement as modified by the Supplemental Trust Deed.

The Collateral Manager (acting as sponsor) is required under Section 15G of the Exchange Act (the "**U.S. Credit Risk Retention Requirements**") to ensure that it or its majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements (a "**Majority-Owned Affiliate**") acquires and retains an economic interest in the credit risk of the interests created by the Issuer on the Issue Date. The Collateral Manager will satisfy the U.S. Credit Risk Retention Requirements by acquiring an eligible vertical interest (an "**EVI**") equal to not less than five per cent. in each Class of Refinancing Notes issued by the Issuer on the Issue Date and it will comply with all legal requirements imposed on the "sponsor of a securitization transaction", including without limitation retaining the EVI, in accordance with the U.S. Credit Risk Retention Requirements.

Following acquisition of the EVI on the Issue Date, the Collateral Manager will retain the EVI for the duration required by the U.S. Credit Risk Retention Requirements. The U.S. Credit Risk Retention Requirements require that the EVI be retained until the later of: (a) the date on which the total principal balance outstanding of the Collateral Obligations has been reduced to 33 per cent. of the total principal balance outstanding of the Collateral Obligations as of the Issue Date, (b) the date on which the total principal balance outstanding of the Notes has been reduced to 33 per cent. of the total principal balance outstanding of the Notes at the Issue Date, or (c) two years after the Issue Date of the Refinancing Notes. The U.S. Credit Risk Retention Requirements impose limitations on the ability of the Collateral Manager (or its Majority-Owned Affiliate) during such period to hedge its risk with respect to the EVI. In addition, any financing obtained by the Collateral Manager during such period to purchase or carry the EVI that is secured by the EVI must provide for full recourse to the Collateral Manager (or its Majority-Owned Affiliate) and otherwise comply with the U.S. Credit Risk Retention Requirements. The retention, financing and hedging limitations set forth in the U.S. Credit Risk Retention Requirements will not apply to any Notes held by the Collateral Manager that do not constitute part of the EVI. See "*Risk Factors – Regulatory Initiatives*", "*Risk Factors – Regulatory Initiatives – U.S. Risk Retention*" and "*Description of the Collateral Management and Administration Agreement – Retention Requirements*".

VOLCKER RULE

Section 619 of the Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") prevents "banking entities" as defined under the Volcker Rule (which would include U.S. and non-U.S. banking institutions and their US and non-US affiliates) 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, any "hedge fund" or "private equity fund", together "covered funds", as defined in the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015. 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 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 extend to the Issuer given its intention to rely on section 3(c)(7)). An "ownership interest" is broadly defined in the Volcker Rule and may arise through a holder's exposure to the profit 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 or collateral manager, general partner, trustee, member of a 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, in the case of banking entities which have certain business relationships with the Issuer, to 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 CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes in respect of any CM Removal Resolution or CM Replacement Resolution. There can be no assurance that these steps will be effective in causing investments in the Issuer by U.S. or non-U.S. banking entities subject to the Volcker Rule (whether in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes or otherwise) to be deemed not 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 Collateral Manager, the Placement Agent, the Trustee, the Collateral Administrator, any Agent or the Arranger 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.

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 of Refinancing Notes will each (other than Rule 144A Notes which are Retention Notes) be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or, in the case of Rule 144A Notes which are Retention Notes, 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 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 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 (other than Regulation S Notes which are Retention 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 the case of Regulation S Notes which are Retention Notes, by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate at any time. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive certificated form will be issued in the case of the Retention Notes and otherwise only in limited circumstances. In each case, 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. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

As at the Issue Date, the Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions.. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person outside the U.S.) will be deemed or required 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 Placement Agent) 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 Offering Circular 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 Placement Agent 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 Offering Circular is personal to each offeree to whom it has been delivered by the Issuer, the Placement Agent or any Affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Refinancing Notes. Distribution of this Offering Circular to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Offering Circular in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

Available Information

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

General Notice

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

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

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "CFTC"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A COMMODITY POOL AND AS SUCH, THE ISSUER (OR THE COLLATERAL MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS (OR ANY OTHER AGREEMENT THAT WOULD FALL WITHIN THE DEFINITION OF "SWAP" AS SET OUT IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA") FOLLOWING RECEIPT OF LEGAL ADVICE FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE COLLATERAL MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" (A "CPO") OR A "COMMODITY TRADING ADVISOR" (THE "CTA") (AS SUCH TERMS ARE DEFINED IN THE CEA) IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF

A "COMMODITY POOL" UNDER THE CEA, THE COLLATERAL MANAGER WOULD EITHER SEEK TO UTILIZE ANY EXEMPTIONS FROM REGISTRATION AS A CPO AND/OR A CTA WHICH THEN MAY BE AVAILABLE, OR SEEK TO REGISTER AS A CPO/CTA. ANY SUCH EXEMPTION MAY IMPOSE ADDITIONAL COSTS ON THE COLLATERAL MANAGER, AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. IF THE COLLATERAL MANAGER IS REQUIRED TO REGISTER AS A CPO/CTA, IT WILL BECOME SUBJECT TO NUMEROUS AND ONEROUS REPORTING AND OTHER REQUIREMENTS AND SIGNIFICANT LIMITATIONS ON HOW IT MANAGES THE ISSUER AND THE TYPES OF INVESTMENTS IT MAY MAKE ON THE ISSUER'S BEHALF. IF THE COLLATERAL MANAGER IS REQUIRED TO REGISTER AS A CPO/CTA, IT IS EXPECTED THAT IT WILL INCUR SIGNIFICANT ADDITIONAL COSTS IN COMPLYING WITH ITS OBLIGATIONS UNDER THE CEA, WHICH COSTS ARE EXPECTED TO BE PASSED ON TO THE ISSUER AND WILL ADVERSELY AFFECT THE ISSUER'S ABILITY TO MAKE PAYMENT ON THE REFINANCING NOTES SEE "*RISK FACTORS – REGULATORY INITIATIVES – COMMODITY POOL REGULATION*".

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OVERVIEW

*The following Overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this offering circular (this "**Offering Circular**") and related documents referred to herein. Capitalised terms not specifically defined in this Overview have the meanings set out in Condition 1 (Definitions) of the Conditions or are defined elsewhere in this Offering Circular. It should be read in conjunction with the section entitled "Overview" beginning on page 1 of the 2014 Offering Circular. An index of defined terms appears at the back of this Offering Circular. References to a "Condition" are to the specified Condition in the "Terms and Conditions" and references to "Conditions" are to the "Terms and Conditions". For a discussion of certain risk factors to be considered in connection with an investment in the Refinancing Notes, see "Risk Factors".*

Issuer	Carlyle Global Market Strategies Euro CLO 2014-2 Designated Activity Company, a designated activity company incorporated under the laws of Ireland with registered number 541125 and having its registered office at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.
Collateral Manager	CELF Advisors LLP.
Trustee	State Street Bank and Trust Company.
Placement Agent	Citigroup Global Markets Limited.
Collateral Administrator	State Street Bank and Trust Company.

Refinancing Notes

Class of Refinancing Notes	Principal Amount	Stated Interest Rate	Moody's Ratings of at least ²	Fitch Ratings of at least ²	Maturity Date	Initial Offer Price ³
A-1	€234,600,000	6 month EURIBOR + 0.93% ¹	"Aaa(sf)"	"AAAsf"	August 2027	100%
A-2A	€31,400,000	6 month EURIBOR + 1.60% ¹	"Aa2(sf)"	"AAsf"	August 2027	100%
A-2B	€11,600,000	2.25%	"Aa2(sf)"	"AAsf"	August 2027	100%
B	€26,000,000	6 month EURIBOR + 2.30% ¹	"A2(sf)"	"A+sf"	August 2027	100%
C	€21,000,000	6 month EURIBOR + 3.15% ¹	"Baa2(sf)"	"BBB+sf"	August 2027	100%

¹ The rate of interest of the Refinancing Notes will be determined for the period from, and including, the Issue Date to, but excluding, the first Payment Date.

² The ratings assigned to the Class A-1 Notes, the Class A-2A Notes and the Class A-2B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class B Notes and the Class C 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. As of the date of this Offering Circular, each of the Rating Agencies is established in the European Union ("EU") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**").

As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation.

3 The Placement Agent 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 the United States, to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and
- (b) within the United States to persons and outside the United States, to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Original Closing Date

26 June 2014

Refinancing Date

15 February 2017

Payment Dates

15 February and 15 August in each year, commencing on 15 August 2017 and ending on the Maturity Date (subject to any earlier redemption of the Refinancing Notes and in each case to adjustment for non Business Days in accordance with the Conditions).

Stated Note Interest

Interest in respect of the Refinancing Notes of each Class will be payable semi-annually in arrear on each Payment Date (with the first Payment Date occurring in August 2017) in accordance with the Interest Priority of Payments.

Deferral of Interest

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until such failure continues for a period of at least five Business Days save:

- (a) in the case of administrative error or omission only, where such failure continues for a period of at least ten Business Days; and
- (b) in the case of an administrative error or omission on any Redemption Date in respect of a Refinancing Note, where such failure continues for at least ten Business Days,

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*).

To the extent that interest payments on the Class B Notes, Class C Notes, Class D Notes or Class E 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 B Notes, Class C Notes, Class D Notes and Class E Notes (as applicable), and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition

6(c) (*Deferral of Interest*).

Non payment of amounts due and payable on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default.

Redemption of the Notes

See the section entitled "*Redemption of the Notes*" within the "*Overview*" section in the 2014 Offering Circular, 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 end of the Reinvestment Period; and
- (b) in part by the redemption in whole of one or more of the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes and/or the Class C Notes from Refinancing Proceeds.

**CM Removal and Replacement Voting Notes,
CM Removal and Replacement Non-Voting
Notes and CM Removal and Replacement
Exchangeable Non-Voting Notes**

The Refinancing Notes may, in each case, be in the form of CM Removal and Replacement Voting Notes, CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes.

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

CM Removal and Replacement Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes. CM Removal and Replacement Exchangeable Non-Voting Notes shall be exchangeable for (a) upon request by the relevant Noteholder, CM 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 and upon request of the relevant transferee or transferor, CM Removal and Replacement Voting Notes. CM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time into CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

Listing

This Offering Circular has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements under Irish and EU law pursuant to the Prospectus Directive. 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 and admission to trading will take place on or about the Issue Date. There can be no assurance that any such listing approval will be granted or, if granted, that such listing will be maintained. The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC (as amended) (the "**Markets in Financial Instruments Directive**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purpose of the Directive and/or which are to be offered to the public in any Member State of the European Economic Area.

Form, Registration and Transfer of the Notes

The Regulation S Notes of each Class of Refinancing Notes (other than the Retention Notes) sold outside the United States to non-US 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 Issue 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**"). 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 "*Form of the Notes*" and "*Book Entry Clearance Procedures*" in the 2014 Offering Circular. 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 (other than the Retention Notes) sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/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 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 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".

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 Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is both a QIB and a QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See *"Form of the Notes"* and *"Form of the Notes"* and *"Book Entry Clearance Procedures"* in the 2014 Offering Circular.

Except in the limited circumstances described herein, Refinancing Notes in definitive, certificated, fully registered form ("**Definitive Certificates**") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates. See *"Form of the Notes - Exchange for Definitive Certificates"* in the 2014 Offering Circular.

The Retention Notes will be represented on issue by Definitive Certificates and will be registered in the name of the Retention Holder.

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"* and *"Transfer Restrictions"* and *"Form of the Notes"* and *"Book Entry Clearance Procedures"* in the 2014 Offering Circular. Each purchaser of Refinancing Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See *"Transfer Restrictions"*. The transfer of Refinancing Notes in breach of certain of such representations and agreements will result in affected Refinancing Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).

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"* in the 2014 Offering Circular and *"Transfer Restrictions"*.

Withholding Tax

No gross up of any payments will be payable to the

Noteholders. See Condition 9 (*Taxation*).

RISK FACTORS

An investment in the Refinancing Notes of any Class involves certain risks, including risks relating to the Collateral securing such Refinancing Notes and risks relating to the structure and rights of such Refinancing Notes and the related arrangements. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2014 Offering Circular, in addition to the matters set forth elsewhere in this Offering Circular and the 2014 Offering Circular, prior to investing in any Refinancing Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions" in the 2014 Offering Circular, as amended by this Offering Circular.

The following limited supplemental disclosure is being provided to you to inform you of certain risks arising from the issuance of the Refinancing Notes but does not purport to (and none of the Issuers, the Placement Agent, the Collateral Manager or their respective affiliates makes any representations that it purports to) comprehensively update the 2014 Offering Circular or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes.

1. GENERAL

1.1. Relating to the Refinancing Notes

The Issuer has limited information about its past operating history, investment performance and other matters relating to its operations. 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 6 January 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/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=5364&FIELDSORT=fileDate>, 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 Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the "Latest Monthly Report". Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Obligations as of the date of this Offering Circular 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 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 Collateral Manager and third parties) (and reviewed by the Collateral Manager), and the Issuer will not verify, re-compute, reconcile or recalculate any such information or data. In addition, the information contained in the 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 Collateral 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 Collateral Manager. None of the Placement Agent, the Collateral Manager or the Collateral Administrator is responsible to investors for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of the Monthly Report or the Payment Date Report incorporated herein.

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

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in the Latest Monthly Report and no information is provided in this Offering Circular regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Trust Deed, no assurance can be given that neither the Issuer nor the Collateral Manager has unintentionally

failed to comply with one or more of their respective obligations under the Trust Deed or the Collateral Management Agreement, nor that any such failure will not have a material adverse effect on holders in the future.

1.2. Prior activities of the Issuer

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

1.3. UK Referendum on Membership of the European Union

On 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. The negotiation of the UK's exit terms is likely to take a number of years. 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 Collateral Manager, 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 Refinancing Notes and/or the market value and/or the liquidity of the Refinancing Notes in the secondary market.

1.3 Reliance on Rating Agency Ratings

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") requires that U.S. 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 Refinancing 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 Refinancing 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 Refinancing Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavourable accounting treatment, capital charges or reserve requirements.

1.4 Flip Clauses

There is uncertainty 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 U.S. Bankruptcy Court ruled in a series of proceedings commenced by the Lehman Brothers Chapter 11 debtors that a series of flip clauses were enforceable for several reasons, including the protection of those clauses by provisions in the U.S. Bankruptcy Code known as "safe harbors". This ruling is not final and remains subject to possible appeal.

If a creditor of the Issuer (such as 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 Refinancing Notes and/or the ability of the Issuer to satisfy its obligations under the Refinancing 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 Refinancing Notes. If any rating assigned to the Refinancing Notes is lowered, the market value of the Refinancing Notes may reduce.

1.5 LIBOR and EURIBOR Reform

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the BBA with ICE Benchmark Administration Limited as LIBOR administrator, (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 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 Obligation, which may include determination by the relevant calculation agent in its discretion; and
 - (ii) there may be a mismatch between the replacement rate of interest applicable to the affected Collateral Obligation and the replacement rate of interest the Issuer must pay to the Hedge Counterparty under any applicable Hedge Agreement. This could lead to the Issuer receiving amounts from affected Collateral Obligations which are insufficient to make the due payment under the Hedge Agreement, and potential termination of the Hedge Agreement; and

- (c) the administrator of LIBOR will not have any involvement in the Collateral Obligations or the Refinancing Notes and may take any actions in respect of LIBOR without regard to the effect of such actions on the Collateral Obligations or the Refinancing 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 Obligations which pay interest linked to a LIBOR rate and (ii) the Refinancing 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. In September 2013, the European Commission published a proposal for a regulation (the "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions will not, however, apply until 1 January 2018.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and recordkeeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. Benchmarks such as LIBOR or 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 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 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*) is discontinued, interest on the Refinancing 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 Obligations or the Refinancing Notes and may take any actions in respect of EURIBOR without regard to the effect of such actions on the Collateral Obligations or the Refinancing Notes.

If any proposed changes when implemented change the way in which LIBOR or EURIBOR is calculated with respect to floating rate Collateral Obligations, this could result in the rate of interest being lower than anticipated, which would adversely affect the value of the Refinancing Notes. As the substantial majority of the interest payments due on Collateral Obligations are expected to be calculated based upon EURIBOR or LIBOR and the Refinancing Notes are likely to pay interest based upon EURIBOR or LIBOR, an inaccurate EURIBOR or LIBOR setting could have adverse effects on the Issuer and/or the holders of the Refinancing Notes. For example, holders of the Refinancing 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 or LIBOR 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 Refinancing 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.

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

Many jurisdictions have adopted wide-ranging anti-money laundering, anti-terrorism, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Requirements**"). Any of the Issuer, the Placement Agent, the Collateral Manager, the Agents or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase 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 Placement Agent, the Collateral Manager, the Agents and the Trustee will comply with Requirements to which they are or may become subject and to interpret such Requirements broadly in favour of disclosure. Failure to honour any request by the Issuer, the Placement Agent, the Collateral Manager, the Agents or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Placement Agent, the Collateral Manager, the Agents or the Trustee to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Refinancing Notes. In addition, it is expected that each of the Issuer, the Placement Agent, the Collateral Manager, the Agents 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. Noteholders may also be obliged to provide information in respect of Requirements.

1.7 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer in accordance with the Priorities of Payment. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available in accordance with the Priorities of Payment. 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 the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

2. TAXATION

2.1 EU Financial Transaction Tax – ("FTT")

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's Proposal**") for a FTT to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**")), 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 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 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 (including concluding swap transactions and/or purchases or sales of securities) 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 Refinancing Notes and may result in investors receiving less interest and/or principal than expected. Neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Refinancing Notes, be required to pay additional amounts as a result of any such tax liabilities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Refinancing 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.

The FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Refinancing Notes are advised to seek their own professional advice in relation to the FTT.

2.2 Foreign Account Tax Compliance Act Withholding

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-U.S. 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-U.S. financial institution. The Issuer expects to be classified as a financial institution for these purposes.

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 the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or another tax 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 exempt from, FATCA. Although certain exceptions to these disclosure requirements could apply, each Noteholder should assume that the failure to provide the required information generally will give the Issuer (or an intermediary) the right to sell 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*) in the 2014 Offering Circular. Moreover, 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 amendments to the Trust Deed to enable the Issuer to comply with FATCA.

If an amount in respect of 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. Prospective investors should refer to the section "*Tax Considerations – Foreign Account Tax Compliance Act*".

2.3 OECD Action Plan on Base Erosion and Profit Shifting

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

In July 2013 the OECD published its Action Plan on BEPS, which proposed fifteen actions intended to counter international tax base erosion and profit shifting. The focus of one of the action points ("Action 6") is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The definition of "permanent establishment" and the scope of the exemption for an "agent of independent status" have also been considered under action point 7 ("Action 7"). Other action points, such as Action 4 which can deny deductions for financing costs, may affect the tax position of the Issuer.

On 5 October 2015 the OECD released its final recommendations, including in respect of Action 6 and Action 7. 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 will become effective once ratified by at least five jurisdictions.

Action 6

Action 6 is intended to prevent the granting of treaty benefits in inappropriate circumstances. As noted below, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether it can benefit from Article 5 of the UK-Ireland double tax treaty. Further, it is expected that the Issuer will rely on the interest and other articles of treaties entered into by Ireland to be able to receive payments from some Obligor free from withholding taxes that might otherwise apply.

The multilateral convention provides for double tax treaties to include a "principal purpose test" which would deny a treaty benefit where it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a "principal purpose test", if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer. Further, the OECD has noted that further work needs to be undertaken during 2016 in relation to the treaty entitlement of funds that are not collective investment vehicles. This work may be relevant to the treaty entitlement of the Issuer, or relevant in relation to the application of Article 5 of the United Kingdom-Ireland double tax treaty.

The multilateral convention also permits jurisdictions to choose to apply, in addition to the "principal purpose test", a "simplified limitation of benefits" rule. This rule would generally deny a treaty benefit if the Issuer were not a "qualified person". It is not expected that the Issuer would be a "qualified person". However, the Issuer may nevertheless be able to claim treaty benefits if either: (i) persons who would be entitled to equivalent or more favourable treaty benefits were they to own the income or earn the profits of the Issuer directly own at least 75% of the beneficial interests of the Issuer for at least half of the days of any 12 month period that includes the time when the Issuer is claiming the treaty benefit; or (ii) the Issuer is able to demonstrate to the satisfaction of the relevant tax authority that neither its establishment, acquisition or maintenance, nor the conduct of its operation, had as one of its principal purposes the obtaining of the treaty benefit.

The multilateral convention permits a further degree of flexibility, by allowing jurisdictions to choose to have no "principal purpose test" 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.

It is not clear which of these alternatives will be adopted by Ireland in relation to the double tax treaties it has entered into with the United Kingdom and other jurisdictions.

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 above, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether the Collateral 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 Collateral Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises which, based on all the relevant facts and circumstances, it "controls". The draft OECD commentary published as part of the final recommendation gives the following as an example of what is meant by control: "where a person or enterprise controls an enterprise by virtue of a special arrangement that allows that person to exercise rights that are similar to those that it would hold if it possessed directly or indirectly more than 50 per cent of the beneficial interests in the enterprise". It is not clear in what other circumstances "control" might exist.

Consequences of a denial of treaty benefits

If, as a consequence of the application of either Action 6 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 Refinancing Notes may not be deductible for United Kingdom tax purposes. Profits from dealings in the Collateral Obligations could also become taxable. If the United Kingdom imposed tax on the net income or profits of the Issuer, this may constitute a Note Tax Event, which may result in an optional redemption (in whole but not in part) of the Refinancing Notes of each Class in accordance with Condition 7(g) (*Redemption Following Note Tax Event*).

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

2.4 Changes in Tax Law

The Issuer has been advised that under current Irish law, the Collateral 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 Value Added Tax (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 of the TCA. The Issuer has been advised that it will be such a "qualifying company", therefore management services supplied to it are exempt from 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 Collateral Management Fees for entities such as the Issuer.

With effect from 1 April 2015 a new tax has been introduced in the United Kingdom called the "diverted profits tax", which is charged at a rate of 25 per cent. on any "taxable diverted profits". The tax may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment or where arrangements involve entities or transactions lacking economic substance. The diverted profits tax is a new tax and its scope and the basis upon which it will be applied by HM Revenue & Customs remains uncertain. Imposition of such tax by the United Kingdom tax authorities may also give rise to a "Note Tax Event" and an optional redemption subject to and in accordance with the Conditions.

3. REGULATORY INITIATIVES

3.1 Basel III

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

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 Collateral Manager to retain a material net economic interest in the securitisation, please see the statements set out in the section of the 2014 Offering Circular "*Description of the Collateral Management and Administration Agreement – Retention Requirements*".

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 Placement Agent, the Arranger, the Collateral Manager, 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 Collateral Manager (including its holding of the Retention Refinancing 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.

In particular, investors should note that the EBA published a report on 22 December 2014 (the "**EBA Report**"). Following the EBA Report, on 30 September 2015, the European Commission published a proposal for a new regulation to re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe (the "**Securitisation Regulation**"). Amongst other things, the proposals 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. There are differences between the legislative proposals and the current requirements, including but not limited to additional requirements with respect to the application approach under the Retention Requirements and the originator entities eligible to retain the required interest.

It is not clear whether, and in what form, the Securitisation 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 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. 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. 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 retention requirements, there can be no assurances as to whether the transactions described herein and any investors in the Refinancing 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 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 Collateral Manager does not have an obligation to change the quantum or nature of its holding of the Retention Refinancing Notes due to any future changes in the Retention Requirements or in the interpretation thereof.

With respect to the fulfilment by the Collateral Manager of the requirements of the Retention Requirements, please refer to the section in the 2014 Offering Circular "*Description of the Collateral Management and Administration Agreement — Retention Requirements*".

3.3 U.S. Risk Retention

Pursuant to the U.S. Credit Risk Retention Rules, the “sponsor” of a securitisation transaction (or majority-owned affiliate of the sponsor) is required, unless an exemption exists, to retain at Minimum Risk Retention Requirement and is generally prohibited from directly or indirectly eliminating or reducing such credit risk by hedging or otherwise transferring the retained credit risk. Under the U.S. Credit Risk Retention Rules, a “sponsor” means a person who organises and initiates a securitisation transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity. The U.S. Credit Risk Retention Rules provide several permissible forms through which a sponsor can satisfy the Minimum Risk Retention Requirement, including retaining an eligible vertical interest consisting of not less than 5% of the principal amount of each class of ABS Interests (as defined in the U.S. Retention Rules) issued in a securitisation transaction. The U.S. Credit Risk Retention Rules apply to CLOs, including the Notes, issued in the United States on or after December 24, 2016, unless an exemption is available.

The Retention Holder will purchase an “eligible vertical interest” (as defined in the U.S. Credit Risk Retention Rules) on the Issue Date. See “*Description of the Collateral Management and Administration Agreement — U.S. Credit Risk Retention*” below. If the Retention Holder fails to retain credit risk in accordance with the U.S. Credit Risk Retention Rules, the value and liquidity of the Notes may be adversely impacted. At this time, it is uncertain what effect, if any, a failure of the Retention Holder to be in compliance with the U.S. Credit Risk Retention Rules at any time will have on the market value or liquidity of the Notes.

The U.S. Credit Risk Retention Rules may have adverse effects on the Issuer and/or the holders of the Notes. The U.S. Credit Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any Refinancing. In addition, the U.S. Securities and Exchange Commission (the “SEC”) has indicated in contexts separate from the U.S. Credit 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. Credit Risk Retention Rules, they could apply to material amendments to the terms of the Notes, including a re-pricing, to the extent such amendments require investors to make a new investment decision with respect to the Notes. There is no assurance that the Notes purchased by the Retention Holder on the Issue Date will be sufficient to satisfy the U.S. Credit Risk Retention Rules in connection with any such additional issuance, Refinancing or re-pricing. As a result, the U.S. Credit Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or Refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Credit Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Collateral Manager or the Issuer or on the market value or liquidity of the Notes.

There is limited established line of authority, precedent or market practice that provides guidance with respect to compliance with the U.S. Credit Risk Retention Rules. Moreover, any applicable governmental authority or regulator could provide guidance or state views on compliance with the U.S. Credit Risk Retention Rules that materially alter current interpretations or views with respect to the U.S. Credit Risk Retention Rules.

3.4 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 “*Risk Factors — 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 subject to the reporting obligation and certain of the risk mitigation obligations, but are not subject to the clearing obligation unless the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial entities in its "group" (as defined in EMIR), excluding eligible hedging transactions, exceed certain thresholds 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 (in each case, as and when such requirements become applicable for that particular counterparty pair).

The clearing obligation does not yet apply to all counterparties, but is being phased in for certain types of interest rate OTC derivative contracts (denominated in pounds sterling, Euro, USD and Japanese Yen) over the next three years dependent on the categorisation of counterparties to an OTC derivative contract. In addition, ESMA's final version of regulatory technical standards implementing the clearing obligation for certain additional classes of interest rate OTC derivatives (denominated in Norwegian Krone, Polish Zloty and Swedish Krona) was published on 10 November 2015 and has been submitted to the European Commission for endorsement (the "**Additional Currencies RTS**"). The Additional Currencies RTS is still subject to a legislative approval process and, as such, it is not certain when the Additional Currencies RTS will become effective or whether it will be amended. Key details as to how the clearing obligation may apply to other classes of OTC derivatives remain to be clarified via corresponding technical standards.

The clearing obligation may, in certain circumstances, also apply to swap arrangements entered into prior to the relevant future effective date, although the European delegated regulation relating to the clearing obligation contemplates that this will not be the case for swap contracts entered into by non-financial counterparties which are not AIFs (as defined under "*Risk Factors — Alternative Investment Fund Managers Directive*" below.)

The process for implementing the clearing obligation is under way but uncertainties about the scope and timing remain, especially in the longer term. The margin posting requirement does not yet apply and, again, the timing for its implementation is currently uncertain. 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 the ability of the Issuer to hedge interest rate and currency risk, the amounts payable to Noteholders may be negatively affected.

The Hedge Agreements may contain early termination events which are based on 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 Refinancing 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 Refinancing Notes which the Issuer certifies are required to comply with the requirements of EMIR which may become applicable in the future.

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

3.5 Commodity Pool Regulation

In 2012, the U.S. Commodity Futures Trading Commission (the "**CFTC**") rescinded one of the primary rules which formerly provided an exemption from registration as a "Commodity Pool Operator" (a "**CPO**") and a "commodity trading advisor" ("**CTA**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Similarly, the term "commodity pool operator" was expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an extremely expansive interpretation of these definitions, and has expressed the view that entering into a single swap (apparently without distinguishing between trading and holding a swap position) could make an entity a "commodity pool" subject to regulation under the CEA. It should also be noted that the definition of "swaps" under the Dodd-Frank Act is itself extremely broad, and expressly includes interest rate swaps, currency swaps and total return swaps. Although the CFTC has provided guidance that certain securitisation transactions, including CLOs, will be excluded from the definition of "commodity pool", it is unclear if such exclusion will apply to all CLOs and, in certain instances, the collateral manager of a CLO may be required to register as a CPO with the CFTC or apply for an exemption from registration. In addition, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

If the Issuer were deemed to be a "commodity pool", then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association (the "**NFA**") by the initial offering date of the Refinancing Notes. Because there has previously been an exemption from such registration for most securitisation and investment fund transactions, there is little, if any, guidance as to which entity or entities would be regarded as the Issuer's CPO and CTA and thus be required to register. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as the Issuer and its investment activities in mind, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting requirements that are geared to traded commodity pools, which may result in significant additional costs and expenses, which may in turn affect the amounts payable to Noteholders. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis.

Furthermore, even if an exemption were available, the limits imposed by such exemption may prevent the Issuer from entering into Hedge Transactions, having the effect of limiting the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Currency Hedge Transactions with respect to any Non-Euro Obligations it has purchased. The inability to enter into Interest Rate Hedge Transactions will also limit the

Issuer's ability to hedge any interest rate mismatch between the Collateral Obligations and the Notes, thereby in some cases limiting its ability to invest in Fixed Rate Collateral Obligations. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold (in respect of which, see "*Interest Rate Risk*" and "*Currency Risk*" in the 2014 Offering Circular).

In light of the foregoing, the Collateral Manager will not permit the Issuer to enter into a Hedge Agreement or any other similar agreement that could fall within the definition of "swap" as set out in the CEA until such time as it shall have received legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its Affiliates or any other person should be required to register as a CPO with the CFTC with respect to the Issuer or that if required to register that the Issuer and/or the Collateral Manager (as applicable) did so register.

3.6 Alternative Investment Fund Managers Directive

The 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 Collateral Manager. In such a scenario, the Collateral Manager would be subject to the AIFMD and would need to be appropriately regulated and certain duties and responsibilities would be imposed on the Collateral Manager in respect of its management of the Portfolio. Such duties and responsibilities, were they to apply to the Collateral Manager's management of the assets of the Issuer, may result in significant additional costs and expenses incurred by the Collateral Manager which, in respect of some such fees and expenses, may be reimbursable by the Issuer to the Collateral Manager pursuant to the Collateral Management and Administration Agreement as an Administrative Expense, which may in turn negatively affect the amounts payable to Noteholders. If the Collateral Manager was to fail to, or be unable to, be appropriately regulated, the Collateral 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 Collateral Manager to manage the Issuer's assets may adversely affect the Collateral 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.

3.7 Volcker Rule

Another consequence of the CFTC's expansive interpretation of commodity pool and related definitions is presented under the final rules implementing Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") which have been adopted and became effective on 1 April 2014. The conformance period (during which banking entities were required to bring their activities into conformance with the Volcker Rule) expired on 21 July 2015 with respect to most such activities, subject to certain exceptions and extensions. In their final rulemaking, the agencies charged with drafting regulations under the Volcker Rule, including the CFTC, construed the statutory definition therein of "hedge fund" and "private equity fund" as providing them with discretion to define the term "covered fund" to include any commodity pool as defined in the CEA, without regard as to whether the commodity pool is in the nature of a hedge fund or a private equity fund. In addition, the term "covered fund" is broadly defined under the Volcker Rule to also include any issuer which would be an investment company under the Investment Company Act solely but for the exemption from registration provided by Section 3(c)(1) or 3(c)(7) of that Act. If the Issuer is deemed to be a commodity pool, or otherwise characterised as a "covered fund" due to reliance on Section 3(c)(7) of the Investment Company Act or for any other reason, then in the absence of regulatory relief, the provisions of the Volcker Rule, including the so-called "Super 23A" provisions, would generally prohibit U.S. and non-U.S. banking

entities subject to the Volcker Rule (including the affiliates of such banking entities) from acquiring or retaining an ownership interest (as defined in the Volcker Rule) in the Issuer, being a "sponsor" of the Issuer for the purposes of the Volcker Rule or, under certain circumstances, entering into "Super 23A" covered transactions with the Issuer, such as extending credit to the Issuer, or entering into certain derivative transactions with the Issuer. The Volcker Rule also includes prohibitions on the ability of banking entities to engage in proprietary trading.

The Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose, and it is uncertain whether any of the Refinancing Notes may be similarly 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 CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes in respect of any CM Removal Resolution or CM Replacement Resolution. There can be no assurance that these steps will be effective in causing investments in the Issuer by U.S. and non-U.S. banking institutions and their affiliates subject to the Volcker Rule (whether in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes or otherwise) to be deemed not to be an "ownership interest" in the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and of the limited interpretive guidance could negatively impact the liquidity and value of the Refinancing Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Refinancing Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its investment portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Placement Agent or the Arranger makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser 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.

3.8 Other CFTC Regulations

Furthermore, regulations requiring the posting of variation margin by entities such as the Issuer are scheduled to go into effect in the United States on 1 March 2017. While transactions existing prior to that date are expected to be exempt from such requirement, new Hedge Transactions would be subject to it, as might existing Hedge Transactions that undergo a material amendment, based on guidance provided and positions taken by US regulators in other contexts. The Trust Deed does not permit the Issuer to post variation margin. Accordingly, the application of US regulations to a Hedge Transaction or a proposed Hedge Transaction could have a material, adverse effect on the Issuer's ability to hedge its interest or currency rate exposure, or on the cost of such hedging.

3.9 Retention Financing

The Collateral Manager may from time to time enter into financing arrangements in respect of the Retention Notes that it is required to acquire in order to comply with the Retention Requirements and/or the U.S. Credit Risk Retention Requirements and could grant security over, or transfer title to, the Retention Notes in connection with any such financing. Such financing arrangements would be on full-recourse terms. It is possible that any such financing could be provided directly or indirectly by the Placement Agent or any of their Affiliates. If the collateral arrangements in respect of such financing are by way of title transfer, the Collateral Manager would retain the economic risk in those Notes but not legal ownership of them. None of the Placement Agent, the Collateral Manager, any Agent, the Issuer, the Trustee or any of their respective Affiliates makes any representation, warranty or guarantee that such financing arrangements will comply with the Retention Requirements and/or the U.S. Credit Risk Retention Requirements. In particular, should the Collateral Manager default in the performance of its obligations under any such financing arrangements, the lender thereunder may have the right to enforce the security granted by the Collateral Manager, including effecting the sale or appropriation of some or all of the Retention Notes or, if the collateral arrangements in respect of such financing are by way of title transfer, the Collateral Manager would most likely not be entitled to have the Retention Notes (or equivalent securities) retransferred to it. In exercising its rights pursuant to any such financing arrangements, the lender would not be required to have regard to the Retention Requirements and/or the U.S. Credit Risk Retention Requirements and any such sale or appropriation may therefore cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements and/or the U.S. Credit Risk Retention Requirements.

The term of any retention financing may also be considerably shorter than the effective term of the Notes, requiring the Collateral Manager to repay or refinance the retention financing whilst some or all Classes of Notes are Outstanding. If refinancing opportunities were limited at such time and the Collateral Manager was unable to repay the retention financing from other sources, the Collateral Manager could be forced to sell some or all of the Retention Notes in order to obtain funds to repay the retention financing without regard to the Retention Requirements and/or the U.S. Credit Risk Retention Requirements and such sales may therefore cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements and/or the U.S. Credit Risk Retention Requirements.

3.10 CRA Regulation

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 8(b) 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) and 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.

4. RELATING TO THE REFINANCING NOTES

4.1 Optional Redemption

Reference is made to the section "*Risk Factors – Relating to the Notes - The Notes are subject to Optional Redemption in whole or in part by Class*" in the 2014 Offering Circular. Pursuant to the Conditions, the Rated Notes may not be redeemed in whole from Refinancing Proceeds at any time prior to the end of the Reinvestment Period. In addition, the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes and the Class C Notes may not be redeemed in part from Refinancing Proceeds. See Condition 7(b) (*Optional Redemption*).

4.2 Limited Liquidity and Restrictions on Transfer

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

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

The SEC adopted Rule 17g-10 to the Exchange Act on 27 August 2014. Rule 17g-10 applies in connection with the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website, maintained in connection with the transaction). If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their

ratings of the Refinancing Notes. In such case, the price or transferability of the Refinancing Notes (and any beneficial owner of Refinancing Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected. No assurance can be given as to whether any certification will be given by the Issuer or any applicable third party service provider to the Rating Agencies in circumstances where such certification is deemed to be required under Rule 17g-10.

4.4 Resolutions, Amendments and Waivers

Refinancing Notes constituting the Controlling Class that are in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes will have no right to vote in connection with and will not be counted for the purposes of determining a quorum or the result of any CM Removal Resolution or any CM Replacement Resolution. As a result, for so long as any of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes constitute the Controlling Class, only Refinancing Notes that are in the form of CM Removal and Replacement Voting Notes may vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution.

Refinancing Notes in the form of CM 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 CM Removal and Replacement Voting Notes will be entitled to vote to pass a CM Removal Resolution or a CM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of CM Removal and Replacement Non-Voting Notes and/or CM Removal and Replacement Exchangeable Non-Voting Notes) will be bound by such Resolution.

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

Investors in the Class A-1 Notes should be aware that for so long as the Class A-1 Notes have not been redeemed and paid in full, if no Class A-1 Notes are held in the form of CM Removal and Replacement Voting Notes, the Class A-1 Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Similarly, investors in the other Classes of Refinancing Notes should be aware that if there are no Refinancing Notes in their Class held in the form of CM Removal and Replacement Voting Notes that would be entitled to vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution, such Class of Refinancing Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Refinancing Notes.

Each Hedge Counterparty may also need to be notified and its consent required to the extent provided for in the applicable Hedge Agreement in respect of a modification, amendment or supplement to any provision of the Transaction Documents. 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.

5. CONFLICTS OF INTEREST

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

Various potential and actual conflicts of interest may exist from the overall investment activities of a Collateral Manager Related Person investing for their own accounts or for the accounts of others. The Collateral Manager or a Collateral Manager Related Person may invest in securities or obligations that would be appropriate as Collateral Obligations and may be buyers or sellers of credit protection that reference Collateral Obligations owned by the Issuer. The Collateral Manager and its Affiliates also currently serve as and expect to serve as collateral manager or investment advisor for, act as a general partner to, or invest in or are affiliated with other entities which invest in, underwrite or originate high yield bonds and loans, including those organised to issue collateral obligations similar

to those issued by the Issuer. In providing services to other clients, the Collateral Manager and its Affiliates may effect or recommend activities that would compete with or otherwise adversely affect the Issuer.

The Collateral Manager and its Affiliates currently serve as the Collateral Manager for issuers of a number of collateralised debt obligations secured by collateral consisting primarily of non-investment grade secured bank loans and high yield debt. Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, the staff of the Collateral Manager may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's other accounts. The Collateral Manager may, in its sole discretion, aggregate orders for its accounts under management. Depending on market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client. There is no assurance that any collateralised debt obligation or other client with strategies or investment objectives similar to the Issuer will hold the same assets or perform in a similar manner.

The Collateral Manager and/or its Affiliates may from time to time form or have a financial or operational interest in the management of one or more hedge funds or similar alternative investment vehicles which may be permitted to allocate a portion of their portfolios to high yield debt, bank loans and long-dated, illiquid, restricted or other similar securities and investment opportunities (including, without limitation, private equity investments, mezzanine investments and distressed investments), and whose investment objectives may therefore overlap with those of the Issuer. Such hedge funds will be managed separately from the Issuer and the Collateral Manager has instituted policies and procedures designed to prevent the flow of material non-public information between the Collateral Manager and certain of its Affiliates. It is possible, however, that such hedge funds may independently consider the same investment opportunities as the Issuer and thereby on any given occasion compete with the Issuer for the same investment opportunity.

The Collateral Manager may cause the Issuer to sell one or more Collateral Obligations, in one or more transactions, to Affiliates of the Collateral Manager and/or to other accounts or funds managed by the Collateral Manager or by Affiliates of the Collateral Manager. The Collateral Manager may also cause the Issuer to acquire from time to time Collateral Obligations selected by the Collateral Manager from one or more other issuers of collateralised debt obligations or similar entities for which the Collateral Manager serves as collateral manager. In addition, the Collateral Manager, acting as principal for its own account or for the account of an Affiliate, may effect other transactions between itself or an Affiliate and the Issuer. Such transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

In the course of managing the Collateral Obligations held by the Issuer, the Collateral Manager may consider its relationships with other clients (including companies whose securities are pledged to secure the Refinancing Notes) and its Affiliates. The Collateral Manager may decline to make a particular investment for the Issuer in view of such relationships. The Collateral Manager or its Affiliates may make investment decisions for its clients and Affiliates that may be different from those made by such persons on behalf of the Issuer, even where the investment objectives are the same or similar to those of the Issuer. The Collateral Manager and its Affiliates may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Issuer and another client for which the Collateral Manager or any of them serves as investment adviser or collateral manager, or for themselves. Likewise, the Collateral Manager may on behalf of the Issuer make an investment in an issuer or obligor in which another account, client, the Collateral Manager or Collateral Manager Related Person is already invested or has co-invested. The Collateral Manager or a Collateral Manager Related Person may purchase Refinancing Notes, creating potential conflicts of interest between the Collateral Manager and/or its Affiliates that holds Refinancing Notes, on the one hand, and other investors in Refinancing Notes, on the other hand. The Collateral Manager may, in its discretion, give priority over the Issuer in the allocation of investment opportunities to certain accounts or clients designated by the Collateral Manager in its discretion and to other accounts or clients of the Collateral Manager or its Affiliates to the extent obligated or permitted by the application of regulatory requirements, internal policies and client guidelines and/or principles of fiduciary duty. Neither the Collateral Manager nor any of its Affiliates has any obligation to obtain for the Issuer any particular investment opportunity, and the Collateral Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Collateral Manager or its Affiliates may have a prior contractual commitment with other accounts or clients or as to which the Collateral Manager or its Affiliates possesses material, non-public information. There is no assurance that the Issuer will hold the same investments or perform in a substantially similar manner as other funds with

similar strategies under the management of the Collateral Manager. There is also a possibility that the Issuer will invest in opportunities declined by the Collateral Manager or its Affiliates for the accounts of others or for their own accounts. In making investments on behalf of accounts or clients that the Collateral Manager or its Affiliates manage or advise either now or in the future, the Collateral Manager in its discretion may, but is not required to, aggregate orders for the Issuer with orders for such other accounts, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or any of its Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Obligations and their respective Affiliates, the Trustee, the holders of the Refinancing Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager, its Affiliates and the directors, officers, employees and agents of the Collateral Manager and its Affiliates may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations, provided that (i) such activity will not have a material adverse effect on the enforceability of the Collateral and (ii) nothing in subclause (a) shall be deemed to limit the duties of the Collateral Manager set forth in the Collateral Management and Administration Agreement; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof, provided that such activity would not have a material adverse effect on the Collateral and provided further that no such fees shall be paid to the benefit of the Issuer; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell or terminate any Collateral Obligations or Eligible Investments to, or purchase or enter into any Collateral Obligations from, the Issuer while acting in the capacity of principal or agent; (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation; (g) purchase or sell any obligation included in the Collateral from or to the Issuer while acting in the capacity of principal or agent, in accordance with applicable law or act as collateral manager or investment advisor for any other entity which invests in obligations in connection with collateralised debt obligation transactions; (h) act as the manager or investment advisor to any other person, entity, fund, principal protected investment structure or collateralised debt obligation structure; and (i) maintain other relationships with any issuer or obligor or Affiliate of any issuer or obligor of any obligations included in the Collateral. Services of this kind may lead to conflicts of interest with the Collateral Manager and the Issuer and may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer.

The Collateral Manager or a Collateral Manager Related Person may also have ongoing relationships with the issuers of Collateral and they or their clients may own equity or other securities or obligations issued by issuers of Collateral. In addition, the Collateral Manager or a Collateral Manager Related Person either for its own accounts or for the accounts of others, may invest in securities or obligations that are senior to, junior to, or have interests different from or adverse to, the securities or obligations that are acquired on behalf of the Issuer.

The Collateral Manager will purchase the Retention Notes on the Issue Date and the Collateral Manager and/or Collateral Manager Related Persons may purchase other Refinancing Notes on or after the Issue Date. Any Refinancing Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall not carry a right to vote in respect of, or be counted for the purposes of determining a quorum or the result of, any CM Replacement Resolutions and/or any CM Removal Resolutions. However, subject to the previous sentence, there will be no restriction on the ability of the Collateral Manager or a Collateral Manager Related Person, the Placement Agent, the Collateral Administrator, or any of their respective Affiliates or employees to purchase the Refinancing Notes (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such Refinancing Notes are entitled. The purchase of Refinancing Notes by the Collateral Manager or Collateral Manager Related Persons may create potential and/or actual conflicts of interest between the Collateral Manager and/or its Affiliates and other investors in the Refinancing Notes. Such purchases may be in the secondary market and may occur a significant amount of time after the Issue Date. Resulting conflicts of interest could include (a) divergent economic interests between the Collateral Manager and/or its Affiliates, on the one hand, and other investors in the Refinancing Notes, on the other hand, and (b) voting of Refinancing Notes by the Collateral Manager and/or Collateral Manager Related Persons, or a recommendation to vote by the same, to cause, among other things, an early redemption of the Refinancing Notes and/or an amendment of the Transaction Documents relating to the Refinancing Notes.

The Refinancing Notes may also be purchased (either upon initial issuance or through secondary transfers) by investment funds or other accounts for which the Collateral Manager and/or its Affiliates serves as collateral manager or investment advisor and/or for which Affiliates of the Collateral Manager are the beneficial owner and there may be no limit on the exercise by such funds or accounts of any voting rights to which such Refinancing Notes are entitled, and such voting rights may be exercised in a manner adverse to some or all of the other holders of Refinancing Notes.

In addition, the Collateral Manager may pay certain affiliated initial investors in the Subordinated Notes, all of whom are expected to be investors identified by the Collateral Manager, a substantial portion of the Collateral Management Fees received by the Collateral Manager from the Issuer on each Payment Date. If utilised, this arrangement could provide incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations on behalf of the Issuer than would otherwise be the case.

The Collateral Manager (in its capacity as such, as Noteholder or otherwise) may enter into separate arrangements with one or more Noteholders in connection with the Notes that may provide benefits to those Noteholders that are not offered to all Noteholders generally.

Without limitation to the generality of the foregoing, the Collateral Manager may, in its sole discretion, agree with one or more Noteholders and/or the Placement Agent (or any of their Affiliates) to rebate a portion of its Collateral Management Fees and, if such agreement is made, the Collateral Manager will not be obliged to enter into similar agreements with or to notify other Noteholders. Such rebates may affect the incentives of the Collateral Manager in managing the Collateral 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 Refinancing Notes, including votes concerning amendments. Separately, the Placement Agent may elect in its sole discretion to rebate a portion of its fees in respect of the Refinancing Notes to the Collateral Manager.

Clients of the Collateral Manager or its Affiliates may act as a counterparty with respect to Hedge Transactions and Participations or as party to or in connection with the investment of any funds in Eligible Investments.

The Collateral Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with Obligor and may own equity or debt securities issued by Obligor. As a result, a Collateral Manager Related Person may possess information relating to issuers of Collateral Obligations which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement and in some instances there will be information barriers in place between the Collateral Manager and Collateral Manager Related Persons designed to prevent the flow of material non-public information. In addition, a Collateral Manager Related Person may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations. It is intended that all Collateral Obligations will be purchased and sold by the Issuer on terms prevailing in the market. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they have become aware to the Issuer or to account to the Issuer (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction.

Furthermore, the Collateral 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 Collateral 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 Collateral Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to, or the Collateral Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Collateral Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral 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 Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

In addition, upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement and except as provided for under a Collateral Manager Tax Event), the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement, including receipt of Rating Agency Confirmation in respect thereof (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment).

The successor collateral manager will be selected by the Issuer as proposed by the holders of the Subordinated Notes acting by Ordinary Resolution, provided that the holders of the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer. If the Controlling Class do object as described in the previous sentence, then the holders of the Controlling Class acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the holders of the Subordinated Notes acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the holders of the Subordinated Notes acting by Ordinary Resolution do object as described in the previous sentence, then the holders of the Subordinated Notes acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the Controlling Class do object as described in the previous sentence, then the Issuer shall appoint a successor collateral manager proposed by the holders of the Subordinated Notes acting by Ordinary Resolution that (i) has not previously been objected to by the Controlling Class, (ii) is not an Affiliate of any such holder voting in favour of such Ordinary Resolution and (iii) otherwise meets the criteria for a successor collateral manager under the Collateral Management and Administration Agreement. If no successor collateral manager has been appointed within 180 days or if the Collateral Manager is required to resign or is removed as a result of illegality or a Collateral Manager Tax Event, the Issuer (subject to the approval of the holders of the Subordinated Notes, acting by way of Ordinary Resolution) shall appoint a successor collateral manager which satisfies the criteria specified in the Collateral Management and Administration Agreement as soon as possible, subject to receipt of Rating Agency Confirmation (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment).

The Collateral Manager, acting on behalf of the Issuer, may effect transactions between the Issuer and other entities (including other CLO issuers) in respect of which the Collateral Manager acts as collateral manager. The Collateral Manager, on behalf of the Issuer, may conduct principal trades with itself and Collateral Manager Related Persons, subject to applicable law. The Collateral Manager may also effect client cross transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account managed or advised by any Collateral Manager Related Persons. Client cross transactions enable the Collateral 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, 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. Accordingly, subject as provided above, the Collateral Manager may enter into agency cross transactions where any Collateral Manager Related Persons acts as broker for the Issuer and for the other party to the transaction, in which case any such Collateral Manager Related Persons will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

In addition, the Collateral Manager and/or its Collateral Manager Related Persons may own equity or other securities of Obligor and may have provided investment advice, collateral management and other services to Obligor. From time to time, the Collateral Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Placement Agent or their Affiliates. In connection with the foregoing activities, the Collateral Manager may from time to time come into possession of material non-public information that limits its ability to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer. The Issuer may invest in the debt of companies Affiliated with any of the Placement Agent, the Collateral Manager or their respective Affiliates or

companies in which the Placement Agent, the Collateral Manager or their respective Affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager or its Affiliates' own investments in such companies. It is possible that one or more Affiliates of the Collateral Manager may also act as counterparty with respect to one or more Participations.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of the Refinancing Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the Noteholders and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. This Offering Circular does not contain any information regarding the individual Collateral Obligations that will comprise the Issuer's initial portfolio or that may secure the Refinancing Notes from time to time.

There is no limitation or restriction on the Collateral Manager, or any of its respective Affiliates with regard to acting as collateral manager or originator (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Affiliates may give rise to additional conflicts of interest. See *"Description of the Collateral Manager"*.

The Collateral Manager's duties and obligations under the Collateral Management and Administration Agreement are owed solely to the Issuer (and, to the extent of the Issuer's security assignment of its rights under the Collateral Management and Administration Agreement, the Trustee). The Collateral Manager is not in contractual privity with, and owes no separate duties or obligations to, any of the holders of the Rated Notes or the Subordinated Notes in their capacity as Noteholders.

The Retention Holder may from time to time enter into financing arrangements in respect of the Retention Notes that it is required to acquire in order to comply with the Retention Requirements and/or U.S. Credit Risk Retention Requirements and grant the lender that provides such financing a security interest in the Retention Notes. In exercising its rights pursuant to any such financing arrangements following a default by the Retention Holder, the lender would not be required to have regard to the Retention Requirements and/or U.S. Credit Risk Retention Requirements and any sale or appropriation of the Retention Notes following a default by the Retention Holder may therefore cause the transaction described in this Offering Circular to be non-compliant with the Retention Requirements and/or U.S. Credit Risk Retention Requirements. See *"Description of the Collateral Management and Administration Agreement – Retention Requirements"*.

Certain Conflicts of Interest Involving or Relating to the Placement Agent and its Affiliates

Each of the Sole Arranger, the Placement Agent and their Affiliates (the **"Citi Parties"**) will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

The Placement Agent will purchase the Refinancing Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Placement Agent in respect of those Refinancing Notes. The Placement Agent may elect in its sole discretion to rebate a portion of its fees in respect of the Refinancing Notes to certain investors, including the Retention Holder and the Collateral Manager. The Placement Agent 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 Placement Agent expects to earn fees and other revenues from these transactions.

The Citi 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 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. The Citi Parties are part of a global investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The financial services that the Citi Parties may provide also include financing and,

as such, the Citi Parties may have and/or may provide financing to the Collateral Manager or a Collateral Manager Related Party. Such financing includes the Retention Financing described in “*Regulatory Initiatives – Retention Financing*” above. If it is a lender under any such retention financing (which is not currently envisaged to be the case in respect of the Retention Financing, when exercising its rights in connection with such retention financing, the relevant Citi Party may seek to enforce its security over all or some of the Retention Notes and take possession or sell such Retention Notes to a third party. In addition, the Citi Parties may derive fees and other revenues from the arrangement and provision of any such financings. The Citi Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the Obligor of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the Citi Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the Citi Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the Noteholders or any other party including, without limitation, in deciding whether to enforce its security granted in connection with any financing. Moreover, the Issuer may invest in loans of Obligor Affiliated with the Citi Parties or in which one or more Citi Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the Citi Party own investments in such obligors.

From time to time the Collateral Manager may purchase from or sell Collateral Obligations through or to the Citi Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and one or more Citi Parties may act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The Citi 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 Citi 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 Offering Circular except where required in accordance with the applicable law. Nonetheless, in the ordinary course of business, Citi Parties and employees or customers of the Citi Parties may actively trade in and/or otherwise hold long or short positions in the Refinancing Notes, Collateral Obligations and Eligible Investments or enter into transactions similar to or referencing the Refinancing Notes, Collateral Obligations and Eligible Investments or the Obligor thereof for their own accounts and for the accounts of their customers. If a Citi 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 Citi 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 Citi 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.

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

DOCUMENTS INCORPORATED

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

Unless the context otherwise specifically requires, all references in the 2014 Offering Circular to a relevant Class of Refinancing Notes shall be a reference to the same Class of Refinancing Notes as defined herein (as the context requires) and all references in the 2014 Offering Circular to the Notes shall include the Refinancing Notes (as the context requires). All references in the 2014 Offering Circular 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 2014 and 2015, 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 Offering Circular. The Placement Agent did not participate in the production of the financial statements, takes no responsibility in respect of any financial statement, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information contained therein.

Such financial statements are located at http://www.ise.ie/debt_documents/CGMSE%202014-2%202014%20-%20FS%2031.12.2014_01915c27-7b8b-4119-a5ed-0e4d80707411.pdf and http://www.ise.ie/debt_documents/CGMSE%202014-2%202014%20-%20FS%2031.12.2015_1dbbe302-aac6-4e74-a8b0-9c6393d24c40.pdf, respectively.

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 Offering Circular.

Pursuant to the Trust Deed as amended by a supplemental trust deed to be dated as of 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-1 Notes will be subject to the same terms and conditions as the Original Class A-1 Notes, the Class A-2A Notes will be subject to the same terms and conditions as the Original Class A-2A Notes, the Class A-2B Notes will be subject to the same terms and conditions as the Original Class A-2B Notes, the Class B Notes will be subject to the same terms and conditions as the Original Class B Notes and the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A-1 Notes, the Original Class A-2A Notes, the Original Class A-2B Notes, the Original Class B Notes and the Original Class C Notes set forth in the 2014 Offering Circular also applies to the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes and the Class C Notes, respectively.

The revised terms and conditions of the Refinancing Notes will be set forth in the Supplemental Trust Deed and are set out below. This Offering Circular, together with the 2014 Offering Circular, summarises certain provisions of the Trust Deed and other transaction documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2014 Offering Circular) 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.

It is anticipated that the following amendments will be effected by entry into the Supplemental Trust Deed by among others 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.

- New definitions are added as follows:
 - "**2017 Subscription Agreement**" means the subscription agreement between the Issuer and the Placement Agent dated as of 10 February 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".

- "**2017 Retention Note Purchase Deed**" means the purchase deed in respect of the Retention Notes between the Issuer and the Retention Holder dated on or about 15 February 2017.

Wherever the term "Retention Note Purchase Deed" appears in the Conditions, this will be replaced by a reference to both this term and the term "2017 Retention Note Purchase Deed".

- **"U.S. Credit Risk Retention Requirements"** means the U.S. credit risk retention requirements under the U.S. Credit Risk Retention Rules and Section 15G of the Exchange Act.
- **"U.S. Credit Risk Retention Rules"** means the final rules implementing the credit risk retention requirements of Section 15G of the Exchange Act (codified at 17 C.F.R § 246.1-246.22), including the limitations on hedging, financing and transfer therein. Section references to the U.S. Credit Risk Retention Rules are to the rules contained in Regulation RR, 17 C.F.R §246.1, et seq."
- **"Class A-1 CM Removal and Replacement Exchangeable Non-Voting Notes"** means the Class A-1 Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- **"Class A-2A CM Removal and Replacement Exchangeable Non-Voting Notes"** means the Class A-2A Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- **"Class A-2B CM Removal and Replacement Exchangeable Non-Voting Notes"** means the Class A-2B Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- **"Class B CM Removal and Replacement Exchangeable Non-Voting Notes"** means the Class B Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- **"Class C CM Removal and Replacement Exchangeable Non-Voting Notes"** means the Class C Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- **"CM Removal and Replacement Exchangeable Non-Voting Notes"** means Notes which:
 - 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 CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be so counted; and
 - are exchangeable into:
 - CM Removal and Replacement Non-Voting Notes at any time; or
 - CM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor.
- The definitions of **"CM Removal and Replacement Non-Voting Notes"** and **"CM Removal and Replacement Voting Notes"** are replaced with the following:
 - **"CM Removal and Replacement Non-Voting Notes"** means Notes which:
 - 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 CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be so counted; and
 - are not exchangeable into CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes at any time.
 - **"CM Removal and Replacement Voting Notes"** means Notes which:

- carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of any votes in respect of a CM Removal Resolution or a CM Replacement Resolution and all other matters as to which Noteholders are entitled to vote; and
- are, at any time, exchangeable into:
 - CM Removal and Replacement Non-Voting Notes; or
 - CM Removal and Replacement Exchangeable Non-Voting Notes.
- The definition of “Class of Notes” is amended by replacing the paragraph of text following paragraph (g) with the following:

“and “**Class of Noteholders**” and “**Class**” shall be construed accordingly. Notwithstanding that:

- (i) the Class A-1 CM Removal and Replacement Voting Notes, the Class A-1 CM Removal and Replacement Exchangeable Non-Voting Notes and the Class A-1 CM Removal and Replacement Non-Voting Notes are in the same Class;
- (ii) the Class A-2 CM Removal and Replacement Voting Notes, the Class A-2 CM Removal and Replacement Exchangeable Non-Voting Notes and the Class A-2 CM Removal and Replacement Non-Voting Notes are in the same Class;
- (iii) the Class B CM Removal and Replacement Voting Notes, the Class B CM Removal and Replacement Exchangeable Non-Voting Notes and the Class B CM Removal and Replacement Non-Voting Notes are in the same Class; and
- (iv) the Class C CM Removal and Replacement Voting Notes, the Class C CM Removal and Replacement Exchangeable Non-Voting Notes and the Class C CM Removal and Replacement Non-Voting Notes are in the same Class,

they shall not be treated as a single Class in respect of any vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration 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.”

- The definition of “**Controlling Class**” is amended by adding the words “and/or CM Removal and Replacement Exchangeable Non-Voting Notes” after the words “in the form of CM Removal and Replacement Non-Voting Notes” in each of paragraphs (b)(ii), (c)(ii), (d)(ii) and (e)(ii) and the paragraph immediately following paragraph (g).
- The definition of “**EURIBOR**” is amended by deleting sub-paragraph (a) and replacing it with the following:

“[PARAGRAPH NOT USED]”.

- The definition of “**Issue Date**” is replaced with the following:

“**Issue Date**” means:

- (a) in respect of the Class A-1 Notes, Class A-2A Notes, the Class A-2B Notes, the Class B Notes and the Class C Notes, 15 February 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent and the Collateral 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 D Notes, the Class E Notes and the Subordinated Notes, 26 June 2014.

- The definition of "**Refinancing**" is deleted and replaced with the following:

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

- (a) a refinancing in accordance with Condition 7(b)(v) (*Optional Redemption effected in part through Refinancing*); or
- (b) the Refinancing of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes that took effect on 15 February 2017.

- The definition of "**Retention Holder**" is deleted and replaced by the following:

"**Retention Holder**" means CELF Advisors LLP in its capacity as initial Retention Holder, and any successor, assign or transferee except to the extent restricted under the Transaction Documents, in accordance with the Collateral Management and Administration Agreement, the Retention Requirements and the U.S. Credit Risk Retention Requirements.

- 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 "Carlyle Global Market Strategies Euro CLO 2014-2 Limited" is replaced with a reference to "Carlyle Global Market Strategies Euro CLO 2014-2 Designated Activity Company".
- Each reference to "Initial Purchaser" is replaced by a reference to "Placement Agent", as the context requires.
- Condition 2(m) is replaced with the following:

(m) Exchange of Voting/Non-Voting Notes

A Noteholder holding Notes in the form of CM Removal and Replacement Voting Notes may request by the delivery to the Registrar or the Transfer Agent of a written request that such Notes be exchanged for Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes or CM Removal and Replacement Non-Voting Notes at any time in accordance with these Conditions.

A Noteholder holding Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to the Registrar or a Transfer Agent of a written request that such Notes be exchanged for Notes in the form of CM Removal and Replacement Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder in accordance with these Conditions.

Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time for Notes in the form of CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

- Condition 6(e)(i)(1) is amended by deleting both sub-paragraphs labelled (a) and replacing them with the following:

"[PARAGRAPH NOT USED]".

- Condition 6(e)(i)(3) is amended to read as follows:

(A) Where:

"**Applicable Margin**" means:

- (a) in respect of the Class A-1 Notes, 0.93 per cent. per annum;
- (b) in respect of the Class A-2A Notes, 1.60 per cent. per annum;
- (c) in respect of the Class B Notes, 2.30 per cent. per annum;
- (d) in respect of the Class C Notes, 3.15 per cent. per annum;
- (e) in respect of the Class D Notes, 5.00 per cent. per annum; and
- (f) in respect of the Class E Notes, 6.00 per cent. per annum.

- Condition 6(e)(iii) is amended by deleting the definition of "**Class A-2B Fixed Rate**" and replacing it with the following:

"**Class A-2B Fixed Rate**" means 2.25 per cent. per annum.

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

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

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices:

- (A) on any Business Day 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 expiry of the Reinvestment Period 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 option of the holders of the Subordinated Notes acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing (which may be included in duly completed Redemption Notices) from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes;
- (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 Extraordinary Resolution (as evidenced by duly completed Redemption Notices) but subject to the consent of the Collateral Manager.

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

(ii) *Optional Redemption in Part – Collateral Manager/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-1 Notes, the Class A-2 Notes, the Class B Notes or the Class C Notes) may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period (A) at the direction of the Subordinated Noteholders, (acting by Ordinary Resolution) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing (which may be included in duly completed Redemption Notices) from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes or (B) at the written direction of the Collateral Manager, in either case at least 30 days prior to the Redemption Date, to redeem such Class of Rated Notes (other than the Class A-1 Notes, the Class A-2 Notes, the Class B Notes or the Class C Notes). No such Optional Redemption may occur unless the applicable Rated Notes to be redeemed represent the entire Class of such Rated Notes.

- 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-1 Notes, the Class A-2 Notes, the Class B Notes or the Class C Notes)” as follows:
 - after the words “entire Class of a Class of Rated Notes” in sub-paragraph (B);
 - after the words “In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class”;
 - after the words “redemption of the Rated Notes in part by Class” in sub-paragraph (D); and
 - after the words “If, in relation to a proposed optional redemption of the Notes (in part or in whole”.

RATINGS OF THE REFINANCING NOTES

The following information should be read in conjunction with the section entitled "*Ratings of the Notes*" in the 2014 Offering Circular.

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

PORTFOLIO

The following information should be read in conjunction with the section entitled "*The Portfolio*" in the 2014 Offering Circular.

Collateral Obligations

The most recent Monthly Report (as defined in the 2014 Offering Circular) prior to the Refinancing Date with respect to the Collateral Obligations is dated 6 January 2017 (the "**Latest Monthly Report**"), the information in which has not been audited or otherwise reviewed by any accounting firm and is available for viewing at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=5364&FIELDSORT=fileDate>. Such information is limited and does not provide a full description of all Collateral Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the Latest Monthly Report. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Obligations as of the date of this Offering Circular or on or after the Refinancing Date. The Placement Agent did not participate in the production of the Latest Monthly Report or any other Monthly Report, takes no responsibility in respect of any report, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information, estimates, approximations or projections contained therein.

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

Eligibility Criteria

Each Collateral 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 Offering Circular, as determined by the Collateral Manager in its reasonable discretion. See "*The Portfolio - Eligibility Criteria*" in the 2014 Offering Circular.

Portfolio Profile Tests and Collateral Quality Tests

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

- (a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date);
- (b) not less than 60.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Loans;
- (c) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;
- (d) in the case of Secured Senior Obligations, not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor, provided that the obligations of three such Obligors may each represent up to 3.0 per cent. of the Collateral Principal Amount;

- (e) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;
- (f) not more than 3.0 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;
- (g) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;
- (h) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;
- (i) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;
- (j) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations;
- (k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;
- (l) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;
- (m) not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;
- (n) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans;
- (o) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;
- (p) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;
- (q) any three Fitch industry classifications may comprise up to 40.0 per cent. of the Collateral Principal Amount and any one Fitch industry classification may comprise up to 17.5 per cent. of the Collateral Principal Amount;
- (r) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations that are issued by obligors that belong to any single Moody's Industry Classification, except that (x) two additional Moody's Industry Classifications may each represent a percentage up to 12.0 per cent. of the Collateral Principal Amount and (y) one additional Moody's Industry Classification may represent a percentage up to 15.0 per cent. of the Collateral Principal Amount;
- (s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from a S&P rating;
- (t) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligor who are Domiciled in countries or jurisdictions rated below "A-" by Fitch unless Rating Agency Confirmation from Fitch is obtained;
- (u) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligor who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained;
- (v) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;
- (w) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans; and

- (x) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of loans originated by the Collateral Manager or an Affiliate of the Collateral Manager (provided that for the purposes of this calculation, loans that are syndicated to an initial lender group of greater than five shall not be counted as originated by the Collateral Manager or an Affiliate of the Collateral Manager, except where the Collateral Manager or an Affiliate thereof manages funds holding 40 per cent. or more of such loan).

"Bridge Loan" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a Moody's Rating and a Fitch Rating or, if the Bridge Loan is not rated by Moody's and Fitch, Rating Agency Confirmation has been obtained.

"Senior Secured Floating Rate Note" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Collateral Principal Amount of such type of Collateral Obligations, excluding Defaulted Obligations. Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell, but have not yet settled, shall be excluded for the purposes of the Portfolio Profile Tests.

Further, for the purposes of calculating compliance with the Portfolio Profile Tests:

- (i) in the case of sub-paragraphs (b) to (x) (inclusive) thereof, each relevant percentage shall be rounded down to the nearest 0.1 per cent.; and
- (ii) in the case of sub-paragraph (a) thereof, the relevant percentage shall be rounded up to the nearest 0.1 per cent.

Fitch Tests Matrix

Fitch Tests Matrix

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See "The Portfolio – Portfolio Profile Tests and Collateral Quality Tests" in the 2014 Offering Circular.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €324,600,000.00. 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.

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 Offering Circular.

CM Removal and Replacement Voting and Non-Voting Notes

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

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

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

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

A Noteholder holding a beneficial interest in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes may request by the delivery to a Transfer Agent of a written request that such beneficial interest be exchanged for a beneficial interest in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Voting Notes only in connection with the transfer of such Refinancing Notes to an entity that is not an Affiliate of such Noteholder, as provided above.

Beneficial interests in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes shall not be exchanged for a beneficial interest in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

Beneficial interests in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchangeable at any time for a beneficial interest in a Global Certificate representing Refinancing Notes in the form of CM Removal and Replacement Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

Retention Notes

The Refinancing Notes which are Retention Notes will be offered outside the United States to the Collateral Manager as a non-U.S. Person in reliance on Regulation S and will be issued in definitive, certificated, fully registered form. On the Issue Date of the Refinancing Notes, the Retention Notes will be registered in the name of the Collateral Manager.

THE ISSUER

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

General

Pursuant to an ordinary resolution of the Issuer dated 25 August 2016, the Issuer re-registered as a designated activity company in accordance with the Companies Act 2014 of Ireland.

The current registered address of the Issuer is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

The telephone number of the registered office of the Issuer is +353 0(1) 614 6240 and the facsimile number is +353 0(1) 614 6250.

Corporate Services Provider

TMF Administration Services Limited ("**TMF**") was appointed by the Issuer as corporate administrator on 30 April 2014 pursuant to a corporate services agreement entered into on 30 April 2014.

The Administrator's principal office is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Directors and Company Secretary

The Directors of the Issuer as at the date of this Offering Circular are Kevin Butler and Sam Sengupta. The business address of the Directors is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

The Company Secretary is TMF Administration Services Limited of 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

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 25 August 2015, the Issuer elected to re-register 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 9 September 2016 issued by the Registrar of Companies in accordance with Section 63(8) of the Companies Act 2014, the Issuer was re-registered as "*Carlyle Global Market Strategies Euro CLO 2014-2 Designated Activity Company*".

DESCRIPTION OF THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Placement Agent or any other party. None of the Placement Agent or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The duties and obligations of the Collateral Manager are solely those of CELF Advisors LLP and are not guaranteed by The Carlyle Group, more generally, or any of its other affiliated entities. The Refinancing Notes and the Collateral do not represent interests in or obligations of, and are not insured or guaranteed by, CELF Advisors LLP, The Carlyle Group or any affiliate thereof.

The Collateral Manager

CELF Advisors LLP will act as Collateral Manager for the Issuer ("**CELF**"). CELF is a subsidiary of an affiliate of The Carlyle Group L.P. In addition to such affiliate (the majority owner), certain members of CELF own approximately 1.1 per cent of the partnership interests in CELF. CELF is the successor to CELF Investment Advisors Limited which was established in September 2004. CELF is authorised and regulated by the Financial Conduct Authority. In performing its duties as Collateral Manager under the Collateral Management and Administration Agreement, CELF will draw upon the investment experience of its own personnel, as well as the significant resources and investment experience of its affiliates. See "*The Collateral Management and Administration Agreement*."

The Carlyle Group

The Carlyle Group is a global alternative asset manager with approximately \$169 billion of assets under management across 125 active funds and 177 fund of fund vehicles, as of October 31, 2016. Founded in 1987 in Washington, D.C., Carlyle has grown into one of the world's largest and most successful investment firms, with more than 1,625 professionals operating in 35 offices across 6 continents. The Carlyle Group operates its business through CELF and several other Carlyle-affiliated investment advisors.

CELF Advisors LLP

The principal activity of CELF is that of investment management and the provision of investment advisory services. CELF is regulated by the Financial Conduct Authority in the United Kingdom. In 2015, CELF entered into collateral management agreements to provide services to three new fund vehicles in which it also subscribed for certain notes for the purposes of regulatory compliance.

For the year ending 31 December 2015, subject to certain accounting assumptions and notes, CELF had a turnover of £32,105,000 and had profits available for discretionary distribution among members of £9,900,000. As of 31 December 2015, subject to certain accounting assumptions and notes, CELF held financial instruments at fair value through profit and loss of £122,038,000.

Ownership and Management of Collateral Manager

The Carlyle Group's senior partners indirectly control all of the membership interests in Carlyle Investment Management L.L.C. ("**CIM**") through The Carlyle Group L.P., a publicly-traded partnership, and certain of its wholly-owned subsidiaries. CIM's direct and wholly-owned subsidiary, CELF, L.L.C., indirectly controls the membership interests in CELF. With respect to the Issuer and the Collateral Management and Administration Agreement, the management of the Issuer's investments is supervised by the Credit Committee (the "**Credit Committee**"), which is comprised of certain senior executives of The Carlyle Group.

The Credit Committee

The Credit Committee initially will be comprised of five senior officers of The Carlyle Group: Colin Atkins, Martin Glavin, Szymon Jaroszewski, Stuart MacKenzie and Louis Reynolds. Set forth below are the biographies of the credit committee, followed by those of other individuals who are expected to be involved in the execution of the

Collateral Manager's responsibilities under the Collateral Management and Administration Agreement. There can be no guarantee that the members of the Credit Committee will participate in the execution of the Collateral Manager's responsibilities during the entire term of the Collateral Management and Administration Agreement. See "*Risk Factors – Collateral Manager*" of the 2014 Offering Circular.

Colin Atkins. Colin Atkins is a Managing Director and Head of European Structured Credit. His previous role was Head of Credit for the European Leveraged Finance business. He is based in London. Mr. Atkins joined as a Director in November 2004 at the inception of the business and has been actively involved in credit analysis, trading, portfolio management and marketing of CLO, low levered, market value and synthetic funds that have been managed by the European Structured Credit team. His previous role was at Prudential M&G where he helped establish Prudential M&G's Leveraged Finance platform. Mr. Atkins holds a B.A. (Hons) in Accounting & Finance from Nottingham Trent University, is a member of The Association of Chartered Management Accountants (ACMA) and is a CFA Charterholder.

Martin Glavin. Martin Glavin is a Director within European Structured Credit. Mr. Glavin's responsibilities include analysis of high yield debt transactions and monitoring a portfolio of existing investments. He is a voting member of the credit committee and is based in London. Prior to joining Carlyle in January 2006, Mr. Glavin worked in various areas at Prudential M&G including structured finance, macroeconomic research and investment grade credit. Mr. Glavin holds an M.A. in Economics from the University of Cambridge and is a CFA Charterholder.

Szymon Jaroszewski. Szymon Jaroszewski is a Director within European Structured Credit. Mr. Jaroszewski is involved in analysing and monitoring credits, with a focus on the industrial and building materials sectors. He is based in London. Mr. Jaroszewski joined from GMAC in October 2006 and had previously worked as an investment adviser at a firm of independent financial advisers. Mr. Jaroszewski holds a master's degree in Economics from the Poznan University of Economics and is a CFA Charterholder.

Stuart MacKenzie. Stuart MacKenzie is a Managing Director and Portfolio Manager within European Structured Credit. Based in London, Mr. MacKenzie is responsible for loan and bond trading as well as being a voting member of the credit committee. Prior to joining Carlyle in December 2004, Mr. MacKenzie spent 2 years at Alcentra, an independent asset management company, after starting his career with Barclays Capital. Mr. MacKenzie holds a B.Sc. (Econ) in Financial and Business Economics from Royal Holloway, University of London and is a CFA Charterholder.

Louis Reynolds. Louis Reynolds is a Director within European Structured Credit, focusing on credit and relative value analysis in the high yield and leveraged loan markets, in particular in the chemicals and paper & packaging sectors. Mr. Reynolds is also a voting member of the credit committee. He is based in London. Prior to joining Carlyle in September 2005, Mr. Reynolds was with GE European Leveraged Finance in London. Mr. Reynolds holds a B.Sc. (Hons) in Economics and Finance and a M.Sc. (Hons) in Project Analysis, Finance and Investment from the University of York and is a CFA Charterholder.

Matthew Cottrell. Matthew Cottrell is a Director responsible for European compliance for Carlyle Global Market Strategies. He is based in London. Since joining Carlyle in 2006, Mr. Cottrell has been involved with fund structuring, documentation and management of CLO, low levered, market value and synthetic funds together with regulation and compliance for European Structured Credit. His current role covers compliance for the broader Global Market Strategies business in Europe. Prior to joining Carlyle, Mr. Cottrell was a Director in structured finance and credit policy at Fitch Ratings and he practiced as a banking lawyer in the international finance group at Ashurst, an international law firm. Mr. Cottrell holds a B.Sc. (Hons) in Mathematics and Philosophy from Durham University and an LPC from the College of Law. From 1998 to 2002, Mr. Cottrell was a Solicitor of the Supreme Court of England and Wales. He is a CFA Charterholder and has a CIMA diploma in management accounting.

Carina Jones. Carina Jones is an Associate within European Structured Credit, responsible for analysis of leveraged loan and high yield debt transactions and monitoring a portfolio of existing investments, particularly in the retail and consumer product sectors. Ms. Jones holds a B.Sc. (Hons) in Economics from London School of Economics and Political Science and is a CFA Charterholder.

Paul O'Mahony. Paul O'Mahony is an Associate Director focused on the day-to-day operations of the European Structured Credit funds. He is based in London. Since joining Carlyle in 2007, Mr. O'Mahony has worked on CLO, low levered and market value vehicles. These responsibilities include internal and external reporting, statistical analysis, trade settlements and reconciliations. Prior to joining Carlyle, Mr. O'Mahony worked for Deutsche Bank. He has also worked for Henderson Global Investors and JP Morgan Chase. Mr. O'Mahony holds a B.A. (Hons) in Business Studies from Dublin Business School.

Harris Revankar. Harris Revankar is an Associate Director within European Structured Credit. Mr. Revankar is involved in analysing and monitoring credit investments, with a particular focus on the gaming, telecom and business services sectors. He is based in London. Prior to joining Carlyle in May 2007, Mr. Revankar worked within the Global Proprietary Trading division of Credit Suisse, focusing on credit-related investments. Mr. Revankar holds an M.B.A. in finance from the London Business School and a B.A. in Economics and a minor in Japanese from New York University.

Justin Plouffe. Justin Plouffe is a Managing Director focusing on structured corporate credit investments. He is based in New York. Mr Plouffe is responsible for the structuring and marketing of Carlyle's new issue CLO's in the U.S. and Europe. He is also responsible for financial modelling, portfolio analytics and valuations for Carlyle's U.S. CLO business. Since joining Carlyle in 2007 he has been actively involved in Carlyle's acquisitions of corporate credit management platforms. Prior to joining Carlyle Mr Plouffe was an attorney at Ropes & Gray LLP and he also served as a clerk on the U.S. Court of Appeals for the First Circuit and as a legislative assistant to a U.S. Congressman. Mr Plouffe received his undergraduate degree from Princeton University and his J.D. from Columbia Law School where he was an editor of The Columbia Law Review. He is a CFA Charterholder and holds Series 7 and 63 licenses.

Edina Seiben. Edina Seiben is a Coordinator focused on the day-to-day fund administration of the European Structured Credit funds. She is based in London. Prior to joining Carlyle in June 2012, she was a Lead Accounting Support Specialist at Kellogg Brown & Root Ltd. Ms Seiben received her Bachelor's degree from Eotvos Lorand University in Budapest, Hungary.

Iona Dixey. Iona Dixey is an Analyst within European Structured Credit, responsible for analysis of leveraged loan and high yield debt transactions and monitoring a portfolio of existing investments. She is based in London. Prior to joining Carlyle in May 2015, Miss Dixey worked in Business Development at Aberdeen Asset Management, focussing mainly on Multi-Asset funds. She has a B.A (Hons) degree in Modern Languages from the University of Bristol and holds the IMC qualification.

Credit Risk Mitigation

Along with its obligations under the Collateral Management and Administration Agreement and subject to the standard of care required thereunder, the Collateral Manager has in place and operates internal policies and procedures to administer and manage the Portfolio and similar portfolios. Such policies and procedures include, in the case of the Portfolio, systems for identifying credit risk obligations and defaulted obligations.

Under the Collateral Management and Administration Agreement, subject to the standard of care required thereunder, the Collateral Manager is obliged to:

- (a) diversify the Collateral Obligations comprising the Portfolio in accordance with and to the extent permitted by the terms of the Collateral Management and Administration Agreement and, in particular, the Portfolio Profile Tests;
- (b) measure and monitor the credit risk of the Portfolio as per the methodologies set out in the Collateral Management and Administration Agreement and in accordance with the terms of the Collateral Management and Administration Agreement; and

- (c) consult with the Collateral Administrator for the purposes of compiling each Monthly Report and Payment Date Report which will provide information intended to facilitate investors in their conducting of stress tests on the cash flows and collateral values supporting the Refinancing Notes.

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description the Collateral Management and Administration Agreement supplements the section headed "Description Of The Collateral Management And Administration Agreement" in the 2014 Offering Circular, 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 Collateral Manager for cause, the Controlling Class will exclude any CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes.

Appointment of Successor

No Notes held in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes or held by or on behalf of the Collateral Manager or any Collateral 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 results of any CM Replacement Resolution.

Delegation and Transfers

The Collateral Manager may not assign or transfer its material rights or delegate material responsibilities under the Collateral Management and Administration Agreement without the consent of: (i) the Issuer; (ii) the holders of the Controlling Class acting by Ordinary Resolution; and (iii) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding the any Notes held by the Collateral Manager or any Collateral Manager Related Person and any Notes held in the form of CM Removal and Replacement Non-Voting Notes or CM Removal and Replacement Exchangeable Non-Voting Notes, and subject to Rating Agency Confirmation and to such transferee, assignee or delegate having the requisite Irish regulatory capacity; provided, that, to the extent permitted by the Collateral Management and Administration Agreement, such consent and Rating Agency Confirmation shall not be required in the case of a Permitted Assignee.

No Voting Rights

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

Any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Non-Voting Notes and will therefore have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class D Notes, Class E Notes or Subordinated Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person will have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Retention Requirements

EU Risk Retention

In relation to the Collateral Manager's representations, warranties and covenants in respect of the Retention Notes (including the Refinancing Notes which are Retention Notes) see the section entitled "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" in the 2014 Offering Circular.

U.S. Credit Risk Retention

The Collateral Manager is required under the U.S. Credit Risk Retention Requirements to ensure that it (or a majority-owned affiliate as defined under the U.S. Credit Risk Retention Requirements (a "**Majority-Owned Affiliate**")) acquires and retains an economic interest in the credit risk of interests created by the Issuer on the Issue Date in an amount of not less than five per cent. (in the case of vertical risk retention). The Collateral Manager will satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining an EVI equal to a minimum of five per cent. of the Principal Amount Outstanding of each Class of Notes issued by the Issuer.

Under the Collateral Management and Administration Agreement, the Collateral Manager will also represent, warrant and undertake to Citigroup Global Markets Limited in its capacity as Placement Agent that:

- (a) it is the appropriate entity to comply with all legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules and it will comply with all legal requirements imposed on the "sponsor of a securitization transaction" in accordance with the U.S. Credit Risk Retention Rules;
- (b) the Collateral Manager will retain an eligible vertical interest in the transaction in accordance with U.S. Credit Risk Retention Rule 4(a)(1) for the duration required in U.S. Credit Risk Retention Rule 12(f), which interest (the "**Retained Interest**") will consist of a minimum 5 per cent. interest in each Class of Notes;
- (c) the Collateral Manager will be solely responsible for compliance with the disclosure requirements of U.S. Credit Risk Retention Rule 4(c)(2). The Collateral Manager (i) will be responsible for ensuring that the disclosure required by U.S. Credit Risk Retention Rule 4(c)(2)(i) is contained in this Offering Circular, (ii) will be solely responsible for the content of that disclosure and (iii) will be solely responsible for making and delivering such disclosure in a medium that does not involve any action or participation by the Placement Agent if any disclosure is required after the Issue Date pursuant to U.S. Credit Risk Retention Rule 4(c)(2)(ii); and
- (d) the Collateral Manager or its Majority-Owned Affiliate will not engage in any activities that would constitute impermissible hedging, transfer or financing of the Retained Interest as prohibited by the U.S. Credit Risk Retention Rule for the duration required in U.S. Credit Risk Retention Rule 12(f).

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein in this Offering Circular as specifically references herein shall have the meaning given to them in Condition 1 (Definitions) of the Conditions of the Refinancing Notes. The following section supplements the section headed "Description of the Reports" in the 2014 Offering Circular, as such amendments are provided for in the Supplemental Trust Deed.

Monthly Reports

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes

- (a) For so long as any Class A-1 Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class A-1 Notes in the form of CM Removal and Replacement Voting Notes;
 - (ii) the aggregate Principal Amount Outstanding of all Class A-1 Notes in the form of CM Removal and Replacement Non-Voting Notes; and
 - (iii) the aggregate Principal Amount Outstanding of all Class A-1 Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- (b) For so long as any Class A-2 Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class A-2 Notes in the form of CM Removal and Replacement Voting Notes;
 - (ii) the aggregate Principal Amount Outstanding of all Class A-2 Notes in the form of CM Removal and Replacement Non-Voting Notes; and
 - (iii) the aggregate Principal Amount Outstanding of all Class A-2 Notes in the form of CM Removal and Replacement Exchangeable Non-Voting Notes.
- (c) For so long as any Class B Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class B CM Removal and Replacement Voting Notes;
 - (ii) the aggregate Principal Amount Outstanding of all Class B CM Removal and Replacement Non-Voting Notes; and
 - (iii) the aggregate Principal Amount Outstanding of all Class B CM Removal and Replacement Exchangeable Non-Voting Notes.
- (d) For so long as any Class C Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Voting Notes;
 - (ii) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Non-Voting Notes; and
 - (iii) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Exchangeable Non-Voting Notes.

Payment Date Report

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes

The information required pursuant to "Monthly Reports – CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes/ CM Removal and Replacement Exchangeable Non-Voting Notes” above.

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 of the principal Irish tax consequences for individuals and companies of ownership of the Refinancing Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Refinancing Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Refinancing Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Refinancing Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Refinancing Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Refinancing Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Refinancing Note so long as the interest paid on the relevant Refinancing Note falls within one of the following categories and does not come within certain new rules introduced by the Finance Act 2016, as described below under the heading "*Deductibility of Interest*":

1. *Interest paid on a quoted Eurobond:* The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Refinancing Note where:
 - (a) the Refinancing Notes are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Main Securities Market of the Irish Stock Exchange) and which carry a right to interest; and
 - (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

- (i) the Refinancing Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (ii) the person who is the beneficial owner of the Refinancing Notes and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (c) one of the following conditions is satisfied:
- (i) the Noteholder is resident for tax purposes in Ireland; or
 - (ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or
 - (iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:
 - (A) from whom the Issuer has acquired assets;
 - (B) to whom the Issuer has made loans or advances; or
 - (C) with whom the Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or
 - (iv) at the time of issue of the Refinancing Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Refinancing Notes would be subject to tax on any interest payments.

where the term:

"relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (**"Relevant Territory"**); and

"swap agreement" means any agreement, arrangement or understanding that—

- I. provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

- II. transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Refinancing Notes continue to be quoted on the Main Securities Market of the Irish Stock Exchange, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Refinancing Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Refinancing Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Refinancing Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

2. *Interest paid by a qualifying company to certain non-residents:*

If, for any reason, the exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the TCA and the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a body corporate, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
 - (i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains in that territory; or
 - (ii) the interest is subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which corresponds to income tax or corporation tax in Ireland and which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

Deductibility of Interest

New rules contained in the Finance Act 2016 restrict deductibility of interest paid by a "qualifying company" as defined in Section 110 of the TCA (such as the Issuer) that is profit dependent or exceeds a reasonable commercial return to the extent that the interest is associated with the business of a qualifying company of holding "specified mortgages", subject to a number of exceptions. A "specified mortgage" for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land or (b) a 'specified agreement' (effectively a profit dependent derivative) which derives all of its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies. The legislation treats the holding of such specified mortgages as a separate business to the rest of the qualifying company's activities. The qualifying company is taxed on any

profit that is attributable to that business at 25 per cent. and any such interest that is profit dependent or exceeds a reasonable commercial return is not deductible, subject to a number of exceptions, and potentially subject to Irish withholding tax at 20 per cent.

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

- (i) a prospectus, within the meaning of the Prospectus Directive;
- (ii) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of an EU or EEA Member State other than Ireland ("**relevant Member State**"); or
- (iii) where the securities issued by the qualifying company will not be listed on an exchange in the State or a relevant Member State, legally binding documents that:
 - (a) 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
 - (b) 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 (i) to (iii) 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.

Accordingly, on the basis of the legislation and discussions with the Irish Revenue Commissioners, as this document will constitute a prospectus and provided that neither the Issuer nor the Collateral Manager has as its main purpose, or one of its main purposes, the acquisition of 'specified mortgages' within the meaning of Section 110 TCA, the new rules should not apply to this transaction. Even if this were not the case, provided the Issuer does not hold or manage any asset deriving its value, or the greater part of its value, from Irish land, the new rules should not apply to this transaction.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Refinancing Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Refinancing Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Refinancing Notes.

Interest paid on the Refinancing Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Refinancing Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory and which corresponds to income tax or corporation tax in Ireland or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and is not under the control of person(s) who are not so resident or is a company not resident in Ireland, where the principal class of shares of the company or its 75 per cent. parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Refinancing Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Refinancing Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of the Refinancing Notes unless such Noteholder is either resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Refinancing Notes were used or held and, in the case of Refinancing Notes which derive their value or more than 50% of their value from Irish real estate, mineral rights or exploration rights, unless the Refinancing Notes cease to be quoted on a stock exchange.

Capital Acquisitions Tax

A gift or inheritance comprising Refinancing Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Refinancing Notes are regarded as property situate in Ireland (i.e. if the Refinancing Notes are physically located in Ireland or if the register of the Refinancing Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Stamp Duties Consolidation Act, 1999 so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Refinancing Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Refinancing Notes.

2. *United States Federal Income Taxation*

Introduction

This is a discussion of certain 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 describe all of the tax consequences that may be relevant to investors in light of their particular circumstances, nor does it address any aspect of state, local or non-U.S. tax laws, alternative minimum tax or Medicare contribution tax consequences or the possible application of U.S. federal gift or estate taxes. In particular, except as expressly set out below, this discussion does not address differing tax consequences that may apply to an investor subject to special treatment, for instance:

- (i) a financial institution, insurance company, real estate investment trust, regulated investment company or grantor trust;
- (ii) a dealer or trader in securities that uses a mark-to-market method of tax accounting with respect to the notes;
- (iii) an investor holding notes as part of a "straddle" or integrated transaction;
- (iv) a former citizen or resident of the United States;
- (v) a U.S. Noteholder (as defined below) whose functional currency is not the U.S. dollar;
- (vi) a tax-exempt entity; or
- (vii) a partnership or other pass through entity for U.S. federal income tax purposes.

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

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

- (viii) a citizen or individual resident of the United States;
- (ix) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein; or
- (x) an estate or trust, the income of which is subject to U.S. federal income tax regardless of the source.

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

In the case of an investor that is a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of such partnership and its partners will generally depend on the partnership's activities and

status of the partners. Such a partner or partnership should consult its own tax advisor as to the consequences of the acquisition, ownership, disposition and retirement of the Refinancing Notes.

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), final, temporary and proposed Treasury regulations, and administrative pronouncements and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the U.S. Internal Revenue Service (the "**IRS**") addressing entities similar to the Issuer or securities similar to the Refinancing Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding whether the Issuer is engaged in a trade or business within the United States, the U.S. federal income tax characterisation of the Refinancing Notes or the other issues discussed below.

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

U.S. Characterisation and U.S. 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 Collateral Manager, the Class A Notes, the Class B Notes and the Class C 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 of a Refinancing Note (or any interest therein) will be deemed to have agreed, to treat the Refinancing Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. The determination of whether a Refinancing Note will be treated as debt for United States federal income tax purposes is based on the facts and circumstances existing at the time the Refinancing Note is issued. Prospective investors should be aware that opinions of counsel are not binding on the IRS, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Refinancing Notes. Except as discussed under "*U.S. Characterisation and U.S. Tax Treatment of the Refinancing Notes—Alternative Characterisation of the Refinancing Notes*" below, the balance of this discussion assumes that the Refinancing Notes of all Classes will be characterised as debt of the Issuer for U.S. federal income tax purposes.

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

A U.S. Noteholder of a Refinancing Note that uses the accrual method of accounting or any U.S. Noteholder required to accrue original issue discount ("**OID**") will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Noteholder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average Euro rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). An accrual method U.S. Noteholder of a Refinancing Note that uses this first method will therefore recognise foreign currency gain or loss, as the case may be, on interest paid to the extent that the U.S. dollar/Euro exchange rate on the date the interest is received differs from the rate at which the interest income was accrued. Under the second method, the U.S. Noteholder can elect to accrue interest at the Euro spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the

taxable year) or, if the last day of an interest accrual period is within five business days of the receipt of such interest, the spot rate on the date of receipt. An election to accrue interest at the spot rate generally will apply to all foreign currency denominated debt instruments held by the U.S. Noteholder, and is irrevocable without the consent of the IRS. Regardless of the method used to accrue interest, a U.S. Noteholder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received.

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds $\frac{1}{4}$ 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 B Notes and the Class C 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 Refinancing Notes. Consequently, such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Deferrable Notes, will be included in the stated redemption price at maturity of such Refinancing Notes, and as a result the Deferrable Notes will be treated as issued with OID.

It is possible, however, that the IRS could assert, and a court ultimately hold, that some other method of accruing OID, such as the provisions of Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments) are applicable to the Refinancing Notes that are treated as issued with OID. Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

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

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

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

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

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

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

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

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

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

Description of Euro. A U.S. Noteholder will have a tax basis in foreign currency received as payment of qualified stated interest or OID on the Refinancing Notes, or on the sale, exchange, retirement or other taxable disposition, equal to the U.S. dollar value of foreign currency received determined at the spot exchange rate on the date the foreign currency is received. Any gain or loss realised by a U.S. Noteholder on a sale or other disposition of the foreign currency (including their exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Alternative Characterisation of the Refinancing Notes. 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 "*Tax Considerations – United States Federal Income Taxation – U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Subordinated Notes*" and "*Tax Considerations – United States Federal Income Taxation – Transfer and Other Reporting Requirements Applicable to U.S. Holders of the Notes*".

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

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

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

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

U.S. Federal Tax Treatment of the Issuer

The Issuer is treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, upon the issuance of the Notes, the Issuer will receive an opinion of Weil, Gotshal & Manges generally to the effect that, assuming compliance with the Trust Deed and the Collateral Management and Administration Agreement, including certain tax guidelines referenced therein (the "**Tax Guidelines**"), and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and subject to other

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

If it were determined that the Issuer is engaged in a trade or business 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 (computed possibly without any allowance for deductions) and possibly to a 30% branch profits tax as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Refinancing Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

Information Reporting and Backup Withholding

The amount of interest and principal paid or accrued on the Refinancing Notes, and the proceeds from the sale of a Refinancing Note, in each case, paid within the United States or by a U.S. payor or U.S. middleman to a U.S. person (other than a corporation or other exempt recipient) will be reported to the IRS. Under the Code, a U.S. person may be subject, under certain circumstances, to "backup withholding tax" with respect to interest and principal on a Refinancing Note or the gross proceeds from the sale of a Refinancing Note paid within the United States or by a U.S. middleman or U.S. payor to a U.S. person. Backup withholding tax generally applies only if the U.S. person: (a) fails to furnish its social security or other taxpayer identification number within a reasonable time after the request therefore; (b) furnishes an incorrect taxpayer identification number; (c) is notified by the IRS that it has failed to properly report interest OID or dividends; or (d) fails, under certain circumstances, to provide a certified statement, signed under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the IRS that it is subject to backup withholding tax for failure to report interest and dividend payments.

Non-U.S. Noteholders or, in certain cases, their beneficial owners may be required to comply with certification procedures to establish that they are not U.S. Noteholders in order to avoid information reporting and backup withholding tax.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is properly furnished to the IRS. Noteholders

should consult their own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Refinancing Notes.

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

3. *Foreign Account Tax Compliance Act*

Pursuant to FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer expects to be treated as a foreign financial institution for these purposes. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Refinancing Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, such withholding would not apply prior to 1 January 2019 and Refinancing Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Refinancing Notes, no person will be required to pay additional amounts as a result of the withholding.

The Issuer expects to require (and that an intermediary will require) each Noteholder 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 (or an intermediary) may be compelled 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

PLAN OF DISTRIBUTION

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

Citigroup Global Markets Limited (in its capacity as placement agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Refinancing Notes (other than the Retention Notes, which will be subscribed for directly by the Collateral Manager in the 2017 Retention Note Purchase Deed) (the "**Subscribed Notes**") pursuant to the 2017 Subscription Agreement, at the issue price of, in the case of the Class A-1 Notes, 100 per cent., in the case of the Class A-2A Notes, 100 per cent., in the case of the Class A-2B Notes, 100 per cent., in the case of the Class B Notes, 100 per cent. and in the case of the Class C Notes, 100 per cent. (in each case less subscription and underwriting fees to be agreed between the Issuer and the Placement Agent). The 2017 Subscription Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer. Each of the Issuer and the Placement Agent may offer the Subscribed Notes at prices as may be privately negotiated at the time of sale, which may vary among different purchasers and may be different from the issue price of the Subscribed Notes.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: Class A-1 Notes: €234,600,000, Class A-2A Notes: €31,400,000, Class A-2B Notes: €11,600,000, Class B Notes: €26,000,000 and Class C Notes: €21,000,000.

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.

The Issuer has been advised that the Placement Agent proposes to resell the Subscribed 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) 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/QPs. The Citi 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 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.

The Refinancing Notes sold in reliance on Regulation S will be issued in minimum denominations of €100,000 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 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Refinancing Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.

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

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

The Placement Agent has also agreed to comply with the selling restrictions set out in the 2014 Offering Circular and the following selling restrictions:

- (a) **Retail Investor Restriction:** The Refinancing Notes will not be made available, or sold, to a retail investor. 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.
- (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 Offering Circular nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Offering Circular 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 Placement Agent. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Refinancing Notes will be offered in Austria in reliance on an exemption from the document publication requirement under the KMG. The Placement Agent has represented and agreed that it will offer the Refinancing Notes in Austria only in compliance with the provisions of the KMG, and 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) **Belgium:** The Placement Agent has acknowledged and agreed that the offering of Refinancing Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiële diensten en markten/autorité des services et marchés financiers*) nor has this Offering Circular been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Refinancing Notes may not be distributed in Belgium by way of an offer of the Refinancing Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to Public Offers of Investment Instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called "**private placement**") set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This Offering Circular may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Refinancing Notes. Accordingly, this Offering Circular may not be used for any other purpose nor passed on to any other investor in Belgium. The Placement Agent has represented and agreed that it will not:
 - (i) offer for sale, sell or market the Refinancing Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and
 - (ii) offer for sale, sell or market the Refinancing Notes to any person qualifying as a consumer within the meaning of Article 1.3 of the Law of 6 April 2010 on trade practices and consumer protection, as modified, otherwise than in conformity with such law and its implementing regulations.
- (d) **Cayman Islands:** The Placement Agent has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Refinancing Notes.
- (e) **Hong Kong:** The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. The 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 Refinancing Notes (except for Refinancing Notes which are a 'structured product' as defined in the Refinancing Notes and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("**professional investors**"); or (b) in other circumstances which do not result

in the document being a 'prospectus' as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) It has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Refinancing Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Refinancing Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.
- (f) **Ireland:** The Placement Agent has represented and agreed that:
- (i) it has not and will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended, the "**MiFID Regulations**"), including, without limitation, Regulations 7 (*Authorisation*) and 152 (*Restrictions on advertising*) thereof, any codes of conduct made under the MiFID Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
 - (ii) it has not and will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
 - (iii) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (the "**Central Bank**") under Section 1363 of the Companies Act; and
 - (iv) it has not and will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.
- (g) **Israel:** The Placement Agent has acknowledged and agreed that this Offering Circular has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the "**Securities Law**").

The Placement Agent has represented and agreed that the Refinancing Notes are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law, ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Refinancing Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Refinancing Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Refinancing Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Refinancing Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Refinancing Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder's equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are

aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

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

Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Offering Circular, a recipient shall be required by the Issuer to provide confirmation that it is a Sophisticated Investors.

This Offering Circular does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Refinancing Notes referred to herein, nor does it constitute an offer to sell to, or solicitation of an offer to buy from, any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

- (h) **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 Placement Agent 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.
- (i) **Monaco:** The Refinancing Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco bank or a duly authorised 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 Offering Circular 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 26 July 1991 and Law 1.338 of 7 September 2007, duly licensed by the Commission de Contrôle des Activités Financières. Such regulated intermediaries may in turn communicate this Offering Circular to potential investors.
- (j) **Singapore:** This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in the Offering Circular, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the MAS as an authorised or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Refinancing Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Refinancing Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.
- (k) **Spain:** Neither the Refinancing Notes nor the Offering Circular have been approved or registered with the Spanish Notes Markets Commission (*Comision Nacional Del Mercado De Valores*). Accordingly, the Placement Agent 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.

- (l) **Switzerland:** This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Refinancing Notes described herein. The Refinancing Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes may be publicly distributed or otherwise made publicly available in Switzerland.

RULE 17G-5 COMPLIANCE

THE ISSUER, IN ORDER TO PERMIT THE RATING AGENCIES TO COMPLY WITH THEIR 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 THE RATING AGENCIES, 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 COLLATERAL MANAGER) PROVIDES TO THE RATING AGENCIES 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 COLLATERAL MANAGER, NO PARTY OTHER THAN THE ISSUER MAY PROVIDE INFORMATION TO THE RATING AGENCIES ON THE ISSUER'S BEHALF.

ON THE ISSUE DATE, THE ISSUER REQUESTED THAT STATE STREET BANK AND TRUST COMPANY, IN ACCORDANCE WITH THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT, 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, THE RATING AGENCIES, OR ANY OF THEIR OFFICERS, DIRECTORS OR EMPLOYEES PURSUANT TO, IN CONNECTION WITH OR RELATED DIRECTLY OR INDIRECTLY TO, THE TRUST DEED, THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT, ANY TRANSACTION DOCUMENT RELATING THERETO, THE PORTFOLIO OR THE NOTES, WILL BE IN EACH CASE FURNISHED DIRECTLY TO THE RATING AGENCIES AFTER A COPY HAS BEEN DELIVERED TO THE INFORMATION AGENT OR THE ISSUER FOR POSTING TO THE RULE 17G-5 WEBSITE.

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 Refinancing Note.

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented and agreed 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 Refinancing Note 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 unauthorized and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Refinancing Note represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser of Rule 144A Notes represented by Definitive Certificates 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 Refinancing Note for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.
- (2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.
- (3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Refinancing Note as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.
- (4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial adviser for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Prospectus for such Refinancing Note and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any

assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) 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-1 Note, Class A-2 Note, Class B Note or Class C Note or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Refinancing Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Refinancing Note (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Refinancing Note (or interests therein) to an acquiror acquiring such Refinancing Note (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Refinancing Note 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 Refinancing Note 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 D Notes, the Class E Notes and 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, provides an

ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (unless the written consent of the Issuer to the contrary is obtained) holds such Note in the form of a Definitive Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Refinancing Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Refinancing Note or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Refinancing Note will not constitute or result in a non exempt violation of any Other Plan Law.

- (ii) With respect to acquiring or holding a Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class D Note, Class E Note or Subordinated Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Class D Note, Class E Note or Subordinated Note will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) that it will agree to certain transfer restrictions regarding its interest in such Class D Note, Class E Note or Subordinated Note.

Any purported transfer of the Class D Notes, Class E 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 D Notes, Class E Notes or Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

- (c) The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (7) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Notes may not at any time be held by or on behalf of 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 Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF

REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, 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), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE 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 NOTEHOLDERS (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 COLLATERAL ADMINISTRATOR.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR

TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO 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 D NOTES, THE CLASS E NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*]
[EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA 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 FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO

ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS D NOTES, CLASS E NOTES OR 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 CLASS D NOTES, THE CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR 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 THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR 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.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER IN ORDER TO PERMIT THE ISSUER TO COMPLY WITH FATCA (INCLUDING ANY VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY THEREUNDER). IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER 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. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION

SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) 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). THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, 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 INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE PROSPECTUS FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY] [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 COLLATERAL ADMINISTRATOR AT 1 IRON STREET, BOSTON, MA 02210.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE OR A 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 (I) 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 AND (II) NEITHER IT NOR ANY AFFILIATE IS AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING. "AFFECTED BANK" MEANS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3 PER CENT. OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO ZERO PER CENT.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR CM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

- (8) The purchaser will not, at any time, offer to buy or offer to sell the Refinancing Note 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 Refinancing Note 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 Note agrees to provide the Issuer with any information reasonably requested and necessary (in the sole determination of the Issuer) for the Issuer in order to permit the Issuer to comply with FATCA (including any voluntary agreement entered into with a taxing authority thereunder). It understands and acknowledges that the Issuer or an agent may provide such information and any other information concerning its investment in the Refinancing Note to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority. The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (i) to compel any beneficial owner of an interest in the Refinancing Note that fails to comply with the information requirements of above, that is a non-Participating FFI or that otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "**Participating FFI**" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), to sell its interest in such Refinancing Note, or may sell such interest on behalf of such owner and (ii) 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). The purchaser also understands and acknowledges that the Issuer has the right, under the Trust Deed, to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the Refinancing Note that fails to comply with the information requirements above or that is a non-Participating FFI.
- (11) Each holder of a Note (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Refinancing Note as described in the "Tax Considerations — United States Federal Income Taxation" section of this Prospectus for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.
- (12) No purchase or transfer of a Class D Note, Class E Note or Subordinated Note will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex B hereto.
- (13) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder to sell its interest in the Refinancing Note or may sell such interest in its Refinancing Note on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder.
- (14) Each holder and beneficial owner of a Class E Note or a 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 (i) 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 and (ii) neither it nor any affiliate is an Affected Bank unless such acquisition is authorized by the Issuer in writing. "Affected Bank" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that owns, directly or indirectly, more than 33 1/3 per cent. of the aggregate outstanding amount of the Class E Notes or Subordinated Notes and is neither (x) a United States person nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to zero per cent.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (4), (6) and (8) through (14) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references

to Regulation S Notes and references to Rule 144A shall be deemed to be references to Regulation S) and 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 Refinancing Note have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Refinancing Note (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Refinancing Note (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) of Regulation S.
- (3) The purchaser understands that, unless the Issuer determines otherwise in compliance with applicable law, such Refinancing Note 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, 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 NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE 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 NOTEHOLDERS (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 COLLATERAL ADMINISTRATOR.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO 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 D NOTES, THE CLASS E NOTES AND SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA 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 FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, THE CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES AND SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS D NOTE, CLASS E NOTE OR 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS D NOTE, THE CLASS E NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY

SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("25 PER CENT. LIMITATION").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR 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 THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR 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.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER IN ORDER TO PERMIT THE ISSUER TO COMPLY WITH FATCA (INCLUDING ANY VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY THEREUNDER). IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER 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. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) 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). THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, 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 INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE PROSPECTUS FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY] [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 COLLATERAL ADMINISTRATOR AT 1 IRON STREET, BOSTON, MA 02210.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE OR A 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 (I) 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 AND (II) NEITHER IT NOR ANY AFFILIATE IS AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING. "AFFECTED BANK" MEANS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3 PER CENT. OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO ZERO PER CENT.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT NON-VOTING NOTES OR CM REMOVAL AND REPLACEMENT EXCHANGEABLE NON-VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION AND/OR A CM REPLACEMENT RESOLUTION.]

- (4) That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Refinancing Note.
- (5) The Issuer, its Affiliates and any person (other than the Placement Agent, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.
- (6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.
- (7) The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Collateral Manager or the Collateral Administrator, the Agents and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	Common Code
Class A-1 CM Removal and Replacement Voting Notes	XS1557163471	155716347	XS1557163711	155716371
Class A-1 CM Removal and Replacement Non-Voting Notes	XS1557163638	155716363	XS1557163802	155716380
Class A-1 CM Removal and Replacement Exchangeable Non-Voting Notes	XS1557163554	155716355	XS1557163984	155716398
Class A-2A CM Removal and Replacement Voting Notes	XS1557164016	155716401	XS1557164362	155716436
Class A-2A CM Removal and Replacement Non-Voting Notes	XS1557164289	155716428	XS1557164446	155716444
Class A-2A CM Removal and Replacement Exchangeable Non-Voting Notes	XS1557164107	155716410	XS1557164529	155716452
Class A-2B CM Removal and Replacement Voting Notes	XS1557164792	155716479	XS1557165096	155716509
Class A-2B CM Removal and Replacement Non-Voting Notes	XS1557164875	155716487	XS1557165252	155716525
Class A-2B CM Removal and Replacement Exchangeable Non-Voting Notes	XS1557164958	155716495	XS1557165179	155716517
Class B CM Removal and Replacement Voting Notes	XS1557165419	155716541	XS1557165500	155716550
Class B CM Removal and Replacement Non-Voting Notes	XS1557165682	155716568	XS1557165849	155716584
Class B CM Removal and Replacement Exchangeable Non-Voting Notes	XS1557165336	155716533	XS1557165765	155716576

Class C CM Removal and Replacement Voting Notes	XS1557165922	155716592	XS1557166227	155716622
Class C CM Removal and Replacement Non-Voting Notes	XS1557166144	155716614	XS1557166573	155716657
Class C CM Removal and Replacement Exchangeable Non-Voting Notes	XS1557166060	155716606	XS1557166490	155716649

The Refinancing Notes which are Retention Notes will be issued in definitive, certificated, fully registered form.

Listing

This Offering Circular has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and to trading on its regulated market. It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that any such listing approval will be granted or, if granted, that such listing will be maintained.

Expenses in relation to Admission to Trading

The expenses in relation to the admission of the Refinancing Notes to trading on the Main Securities Market will be approximately EUR 7,300.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes was authorised by resolutions of the board of Director of the Issuer passed on 8 February 2017.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since the date of its last financial statements dated 31 December 2015 and there has been no material adverse change in the financial position or prospects of the Issuer since the date of its last financial statements dated 31 December 2015.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period of 12 months, which may have or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Accounts

So long as any Refinancing Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The last financial statements of the Issuer were in respect of the period ending on 31 December 2015. The annual accounts of the Issuer are audited. The Issuer does not prepare interim financial statements.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Refinancing Notes and is not itself seeking admission of the Refinancing Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market of the Irish Stock Exchange.

The auditors of the Issuer are Ernst & Young of Harcourt Centre, Harcourt Street, Dublin 2, Ireland, who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified in practice in Ireland.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (h) and (i) below, will be available for collection free of charge) at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Refinancing Notes.

- (a) the Constitution of the Issuer;
- (b) the Supplemental Trust Deed (which includes the form of each Refinancing Note of each Class) and the Trust Deed;
- (c) the Agency and Account Bank Agreement;
- (d) the Collateral Management and Administration Agreement;
- (e) the Corporate Services Agreement;
- (f) the 2017 Subscription Agreement and the Subscription Agreement;
- (g) each Monthly Report;
- (h) each Payment Date Report;
- (i) the Account Control Agreement;
- (j) the U.S. Security Agreement; and
- (k) the audited financial statements of the Issuer as at and for the years ended 31 December 2014 and 31 December 2015, together with the audit reports thereon.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Refinancing Notes.

Foreign Language

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

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ANNEX A

2014 OFFERING CIRCULAR

CARLYLE GLOBAL MARKET STRATEGIES EURO CLO 2014-2 LIMITED

(a private limited company incorporated under the laws of Ireland with registered number 541125 and having its registered office in Ireland)

€234,600,000 Class A-1 Senior Secured Floating Rate Notes due 2027
€31,400,000 Class A-2A Senior Secured Floating Rate Notes due 2027
€11,600,000 Class A-2B Senior Secured Fixed Rate Notes due 2027
€26,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2027
€21,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2027
€27,300,000 Class D Senior Secured Deferrable Floating Rate Notes due 2027
€11,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2027
€39,100,000 Subordinated Notes due 2027

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Obligations, Mezzanine Obligations and High Yield Bonds managed by CELF Advisors LLP (the "**Collateral Manager**").

Carlyle Global Market Strategies Euro CLO 2014-2 Limited (the "**Issuer**") will issue the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes (each as defined herein).

The Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (such Classes, the "**Rated Notes**") together with the Subordinated Notes are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 26 June 2014 (the "**Issue Date**"), made between (amongst others) the Issuer and State Street Bank and Trust Company, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable semi-annually in arrear on 15 February and 15 August, commencing on 17 February 2015 and ending on the Maturity Date (as defined herein) (subject to any earlier redemption of the Notes and in each case subject to adjustment for non-Business Days in accordance with the Conditions).

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

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

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under EU Directive 2003/71/EC (as amended, 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. This Prospectus constitutes a "prospectus" for the purposes of the Prospectus Directive. Application has been made to The Irish Stock Exchange p.l.c. (the "**Irish Stock Exchange**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC. 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. It is anticipated that listing will take place on or about the Issue Date.

Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland.

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due on the Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the

Issuer Irish Account and the rights of the Issuer under the Corporate Services Agreement (each as defined herein)) 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 Notes have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (in compliance with Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both 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 Notes will be subject to certain restrictions on transfer, and each purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes (other than the Retention Notes) are being offered by the Issuer through Citigroup Global Markets Limited in its capacity as initial purchaser of the offering of such Notes (the "**Initial Purchaser**") subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date.

Citigroup
Sole Arranger and Initial Purchaser

The date of this Prospectus is 25 June 2014

The Issuer accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information included in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this document headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and, "Description of the Collateral Manager". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Administrator accepts responsibility for the information contained in the section of this document headed "Description of the Collateral Administrator". To the best of the knowledge and belief of the Collateral Administrator (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except for the sections of this document headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "Description of the Collateral Manager", in the case of the Collateral Manager and "Description of the Collateral Administrator", in the case of the Collateral Administrator, neither the Collateral Manager nor the Collateral Administrator accepts any responsibility for the accuracy and completeness of any information contained in this Prospectus. The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Prospectus.

None of the Issuer (with respect to the sections headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates", "Description of the Collateral Manager" and "Description of the Collateral Administrator" only), Initial Purchaser, the Trustee and the Collateral Manager (save in respect of the sections headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates" and "Description of the Collateral Manager"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Prospectus and, accordingly, none of the Initial Purchaser, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this 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 Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this 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. None of the Initial Purchaser, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser, the Collateral Manager, the Collateral Administrator, any of their respective Affiliates or any other person to subscribe for or purchase any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the 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 on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to

relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Prospectus, see "Plan of Distribution" and "Transfer Restrictions" below.

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

*In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "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.*

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

In connection with the issue of the Notes, no stabilisation will take place and Citigroup Global Markets Limited will not be acting as stabilising manager in respect of the Notes.

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

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

In accordance with the Retention Requirements, the Collateral Manager will under the Collateral Management and Administration Agreement: (a) undertake to retain a material net economic interest of not less than five per cent. of the nominal value of each Class of Notes by subscribing for and holding, on an ongoing basis, and for so long as any Notes are Outstanding, no less than five per cent. of the Principal Amount Outstanding of each Class of Notes (such Notes being the "**Retention Notes**"), (b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, subject as provided below, (c) subject to any regulatory requirements, agree (i) to take such further reasonable action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, 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, promptly upon the request of the Trustee, the Collateral Administrator, Initial Purchaser or Issuer, its continued compliance with the covenants set out in items (a) and (b) above, (e) agree that it shall promptly notify the Issuer, the Trustee and the Collateral Administrator if for any reason it (i) ceases to hold the Retention Notes in accordance with (a) above or (ii) fails to comply with the covenants set out in (b) or (c) above in any material way, and (f) represent and warrant that (i) it is a CRR Investment Firm and (ii) it is a "sponsor" for the purposes of Article 405 of the CRR and will continue to retain the Retention Notes pursuant to item (a) above and in accordance with item (b) above in such capacity.

If a successor Collateral Manager is appointed in accordance with and pursuant to the terms of the Collateral Management and Administration Agreement, then notwithstanding the above, the Collateral Manager may sell the Retention Notes to such successor (at a price agreed by the parties to such sale) except to the extent such a sale:

- (i) is restricted by the Retention Requirements; or
- (ii) would cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements,

and such successor shall, by way of entry into of the Collateral Management and Administration Agreement commit to acquire and retain the Retention Notes and provide representations, warranties and covenants on the same terms as those set out in the Collateral Management and Administration Agreement in relation to the Retention Requirements.

If a successor Collateral Manager is appointed in accordance with and pursuant to the terms of the Collateral Management and Administration Agreement and the outgoing Collateral Manager does not sell the Retention Notes, such outgoing Collateral Manager shall continue to be bound by the provisions of the Collateral Management and Administration Agreement in respect of the Retention Notes and such provisions shall not apply to such successor.

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with the Retention Requirements or any other regulatory requirement. None of the Issuer, the Collateral Manager, any Collateral Manager Related Person, the Initial Purchaser, the Collateral Administrator, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is subject to the Retention Requirements or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See "*Risk Factors - Regulatory Initiatives*", "*Risk Factors – Risk Retention in Europe*", and "*Description of the Collateral Management and Administration Agreement*" below.

The Monthly Reports will include a statement as to the receipt by the Issuer and the Trustee of a confirmation from the Collateral Manager as to the holding of the Retention Notes, which confirmation the Collateral Manager will undertake, upon request, to provide to the Issuer and the Trustee on a monthly basis.

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 institutions) subject to the rule 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 solely 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 Volcker 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.

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

The Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose, and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes in the form of CM Removal and Replacement Non-Voting Notes in respect of any CM Removal Resolution or CM Replacement Resolution. There can be no assurance that these steps will be effective to avoid investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule (whether in the form of CM Removal and Replacement Non-Voting Notes or otherwise) being deemed to be an "ownership interest" in the Issuer.

Each prospective investor in the Notes is required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. See "*Risk Factors – Volcker Rule*" 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 ("**Rule 144A**") (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). Rule 144A Notes of each Class will each (other than Rule 144A Notes which are Retention Notes) be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or, in the case of Rule 144A Notes which are Retention Notes, 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 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 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 (other than Regulation S Notes which are Retention 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 the case of Regulation S Notes which are Retention Notes, by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive certificated form will be issued in the case of the Retention Notes and otherwise only in limited circumstances. The Class D Notes, the Class E Notes and the Subordinated Notes may, in certain circumstances described herein, be issued in definitive, certificated, fully registered form, pursuant to the Trust Deed and will be offered outside the United States to non-U.S. Persons in reliance on Regulation S and within the United States to persons who are QIB/QPs in reliance on Rule 144A 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 a QIB and a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any Note, by such purchase, agrees that such Note is being acquired for its own account and not with a view to distribution (other than in the case of the 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/QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to a non-U.S. Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See "*Transfer Restrictions*".

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

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

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and the Initial Purchaser reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, the 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 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 unauthorized 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.

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, 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, AND SUCH DESCRIPTION CANNOT 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 TO SUPPORT THE MARKETING OF THE SECURITIES. 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 SECURITIES 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 SECURITIES MEANS THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES. IN ADDITION, THE TAX STRUCTURE OF AN INVESTMENT IN THE SECURITIES INCLUDES ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES.

Available Information

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

General Notice

EACH PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES 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 COLLATERAL MANAGER, THE TRUSTEE OR

THE COLLATERAL ADMINISTRATOR SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

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

Commodity Pool Regulation

BASED UPON INTERPRETIVE GUIDANCE PROVIDED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "CFTC"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A COMMODITY POOL AND AS SUCH, THE ISSUER (OR THE COLLATERAL MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS (OR ANY OTHER AGREEMENT THAT WOULD FALL WITHIN THE DEFINITION OF "SWAP" AS SET OUT IN THE CEA) FOLLOWING RECEIPT OF LEGAL ADVICE FROM REPUTABLE COUNSEL TO THE EFFECT THAT NONE OF THE ISSUER, ITS DIRECTORS OR OFFICERS, OR THE COLLATERAL MANAGER OR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES, SHOULD BE REQUIRED TO REGISTER WITH THE CFTC AS EITHER A "COMMODITY POOL OPERATOR" OR A "COMMODITY TRADING ADVISOR" (AS SUCH TERMS ARE DEFINED IN THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA") IN RESPECT OF THE ISSUER. IN THE EVENT THAT TRADING OR ENTERING INTO HEDGE AGREEMENTS WOULD RESULT IN THE ISSUER'S ACTIVITIES FALLING WITHIN THE DEFINITION OF A "COMMODITY POOL" UNDER THE COMMODITY EXCHANGE ACT, THE COLLATERAL MANAGER WOULD EITHER SEEK TO UTILIZE ANY EXEMPTIONS FROM REGISTRATION AS A COMMODITY POOL ADVISOR (A "CPO") AND/OR A COMMODITY TRADING ADVISOR ("CTA") WHICH THEN MAY BE AVAILABLE, OR SEEK TO REGISTER AS A CPO/CTA. ANY SUCH EXEMPTION MAY IMPOSE ADDITIONAL COSTS ON THE COLLATERAL MANAGER, AND MAY SIGNIFICANTLY LIMIT ITS ABILITY TO ENGAGE IN HEDGING ACTIVITIES ON BEHALF OF THE ISSUER. IF THE COLLATERAL MANAGER IS REQUIRED TO REGISTER AS A CPO/CTA, IT WILL BECOME SUBJECT TO NUMEROUS AND ONEROUS REPORTING AND OTHER REQUIREMENTS AND SIGNIFICANT LIMITATIONS ON HOW IT MANAGES THE ISSUER AND THE TYPES OF INVESTMENTS IT MAY MAKE ON THE ISSUER'S BEHALF. IF THE COLLATERAL MANAGER IS REQUIRED TO REGISTER AS A CPO/CTA, IT IS EXPECTED THAT IT WILL INCUR SIGNIFICANT ADDITIONAL COSTS IN COMPLYING WITH ITS OBLIGATIONS UNDER THE CEA, WHICH COSTS ARE EXPECTED TO BE PASSED ON TO THE ISSUER AND WILL ADVERSELY AFFECT THE ISSUER'S ABILITY TO MAKE PAYMENT ON THE NOTES.

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OVERVIEW

*The following Overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this prospectus (the "**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" below or are defined elsewhere in this Prospectus. An index of defined terms appears at the back of this Prospectus. References to a "Condition" are to the specified Condition in the "Terms and Conditions" below and references to "Conditions" are to the "Terms and Conditions" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors".*

Issuer	Carlyle Global Market Strategies Euro CLO 2014-2 Limited, a private limited company incorporated under the laws of Ireland with registered number 541125 and having its registered office at 53 Merrion Square, Dublin 2, Ireland.
Collateral Manager	CELF Advisors LLP
Trustee	State Street Bank and Trust Company
Initial Purchaser	Citigroup Global Markets Limited
Collateral Administrator	State Street Bank and Trust Company

Notes

Class of Notes	Principal Amount	Stated Interest Rate	Moody's Ratings of at least ²	Fitch Ratings of at least ²	Maturity Date	Issue Price ³
A-1	€234,600,000	6 month EURIBOR + 1.35% ¹	Aaa(sf)	AAAsf	August 2027	99.73%
A-2A	€31,400,000	6 month EURIBOR + 2.00% ¹	Aa2(sf)	AA+sf	August 2027	100.00%
A-2B	€11,600,000	FIXED	Aa2(sf)	AA+sf	August 2027	100.00%
B	€26,000,000	6 month EURIBOR + 2.45% ¹	A2(sf)	A+sf	August 2027	99.40%
C	€21,000,000	6 month EURIBOR + 3.45% ¹	Baa2(sf)	BBB+sf	August 2027	99.65%
D	€27,300,000	6 month EURIBOR + 5.00% ¹	Ba2(sf)	BBsf	August 2027	96.48%
E	€11,000,000	6 month EURIBOR + 6.00% ¹	B2(sf)	B-sf	August 2027	98.90%
Subordinated Notes	€39,100,000	N/A	Not Rated	Not Rated	August 2027	100.00%

¹ The rate of interest of the Rated Notes will be determined for the period from, and including, the Issue Date to, but excluding, the first Payment Date, by reference to a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR.

² The ratings assigned to the Class A-1 Notes, the Class A-2A Notes and the Class A-2B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class B Notes, Class C Notes, Class D Notes and Class E 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.

³ The Initial Purchaser and the Issuer may offer the Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers

The Notes of each Class will be offered:

- (a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and
- (b) to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Distributions on the Notes***Payment Dates***

Interest on the Notes will be payable on 15 February and 15 August of each year commencing on 17 February 2015 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non-Business Days in accordance with the Conditions).

Stated Interest Rate

Interest in respect of the Notes of each Class will be payable semi-annually in arrear on each Payment Date (with the first Payment Date occurring in February 2015) in accordance with the Interest Priority of Payments.

Interest shall be payable on the Subordinated Notes on each Payment Date to the extent funds are available in accordance with the Priorities of Payment.

Payment of Interest and Deferral

Failure on the part of the Issuer to pay the Interest Amounts due and payable on the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes or any other Class of Notes (except the Subordinated Notes) constituting the Controlling Class pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be an Event of Default unless and until such failure continues for a period of at least five Business Days save:

- (a) in the case of administrative error or omission only, where such failure continues for a period of at least ten Business Days; and
- (b) in the case of an administrative error or omission on any Redemption Date in respect of a Rated Note, where such failure continues for at least ten Business Days,

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*).

To the extent that interest payments on the Class B Notes, Class C Notes, Class D Notes or Class E 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 B Notes, Class C Notes, Class D Notes and Class E Notes (as applicable), and from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such

unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*).

Non payment of amounts due and payable on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes as a result of the insufficiency of available Interest Proceeds will not constitute an Event of Default.

Redemption of the Notes

Principal payments on the Notes may be made in the following circumstances:

- (a) on the Maturity Date;
- (b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date);
- (c) if, as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case until the Rated Notes are redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(e) (*Redemption upon Effective Date Rating Event*));
- (d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*));
- (e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer), following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely without further enquiry) that, using commercially reasonable endeavours, it (A) has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a

portion of the funds then available for reinvestment or (B) at any time after the Effective Date, has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event, the Collateral Manager may elect, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

- (f) on any Payment Date during the Reinvestment Period to cure a failure of the Reinvestment Overcollateralisation Test, at the option of the Collateral Manager (see Condition 7(k) (*Reinvestment Overcollateralisation Test*));
- (g) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) at the option of the holders of the Subordinated Notes (acting by way of Ordinary Resolution), with the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes (at their applicable Redemption Prices, subject to the right of the holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes) (see Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*));
- (h) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Business Day following the expiry of the Non-Call Period if (i) directed in writing by the Collateral Manager or (ii) the Subordinated Noteholders (acting by way of an Ordinary Resolution) and subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated

Notes, in each case at least 30 days prior to the Redemption Date to redeem such Class or Classes of Rated Notes, as long as the Class or Classes of Rated Notes to be redeemed each represents not less than the entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part - Collateral Manager/Subordinated Noteholders*));

- (i) the Subordinated Notes may be redeemed in whole at the direction of the holders of the Subordinated Notes (acting by way of Ordinary Resolution), subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));
- (j) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution, subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes (at their applicable Redemption Prices, subject to the right of the holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes) (See Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));
- (k) in whole (with respect to all Classes of Rated Notes) on any Payment Date at the option of (i) the Controlling Class or (ii) subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the

Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes, the holders of the Subordinated Notes, in each case acting by way of Ordinary Resolution following the occurrence of a Note Tax Event (at their applicable Redemption Prices, subject to the right of the holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes), subject to (x) the Issuer having failed to change the territory in which it is resident for tax purposes and (y) certain minimum time periods. See Condition 7(g) (*Redemption Following Note Tax Event*);

- (l) at any time following an acceleration of the Notes after the occurrence of an Event of Default which is continuing and has not been cured or waived (See Condition 10 (*Events of Default*)); and
- (m) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Business Day following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount (at their applicable Redemption Prices, subject to the right of the holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes); subject to (i) the right of holders of not less than 50.0 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes to object to such redemption; and (ii) the right of the Collateral Manager to object to such redemption, in each case in accordance with the Conditions and the Trust Deed (see Condition 7(b)(iii) (*Optional Redemption in Whole - Clean-up Call*)).

Non-Call Period

During the period from the Issue Date up to, but excluding, the Payment Date falling in August 2016 or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day) (the "**Non-Call Period**"), the Notes are not subject to Optional Redemption (save for upon a Collateral

Tax Event, a Note Tax Event or a Special Redemption). See Condition 7(b) (*Optional Redemption*), Condition 7(d) (*Special Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*).

Redemption Prices

The Redemption Price of each Class of Rated Notes will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed (including, in the case of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, any accrued and unpaid Deferred Interest on such Notes) plus (b) accrued and unpaid interest thereon to the day of redemption.

The Redemption Price for each Subordinated Note will be its *pro rata* share (calculated in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments or paragraph (W) of the Post-Acceleration Priority of Payments (as applicable)) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments.

Priorities of Payments

Prior to the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) or following the delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Priority of Payments and Principal Proceeds will be applied in accordance with the Principal Priority of Payments. Upon any redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery of an Acceleration Notice in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), Interest Proceeds and Principal Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments, in each case as described in the Conditions.

Collateral Management Fees

Senior Management Fee

0.15 per cent. per annum of the Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager*".

Subordinated Management Fee

0.35 per cent. per annum of the Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager*".

Incentive Collateral Management Fee

The Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, equal to 20.0 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments. See "*Description of the Collateral Management and Administration Agreement — Compensation of the Collateral Manager*".

Security for the Notes***General***

The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Obligations. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein but excluding its rights in respect of the Issuer Irish Account and the Corporate Services Agreement. See Condition 4 (*Security*).

Hedge Arrangements

Subject to the Eligibility Criteria, the Issuer or the Collateral Manager on its behalf may purchase Collateral Obligations that are denominated in a Qualifying Currency other than Euro provided that no later than the settlement of the acquisition thereof, a Currency Hedge Transaction is entered into in respect of each such Non-Euro Obligation with a Hedge Counterparty satisfying the applicable Rating Requirement under which the currency risk is reduced or eliminated.

For the avoidance of doubt, the ability of the Issuer to enter into Currency Hedge Transactions is subject to satisfaction of the Hedging Condition. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is a Form Approved Hedge. See "*Hedging Arrangements*".

Collateral Manager

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the

Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Transactions. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*".

The Collateral Manager has selected the Collateral Obligations purchased by the Issuer on or prior to the Issue Date pursuant to the Warehouse Arrangements and has independently reviewed and assessed each such Collateral Obligation.

Purchase and Sale of Collateral Obligations

Initial Portfolio

The Collateral Manager (on behalf of the Issuer) has purchased a portfolio of Collateral Obligations prior to the Issue Date pursuant to the Warehouse Arrangements.

Initial Investment Period

During the period from and including the Issue Date to but excluding the earlier of:

- (a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and
- (b) 26 December 2014 (or if such day is not a Business Day, the next following Business Day), (such earlier date, the "**Effective Date**" and such period, the "**Initial Investment Period**"),

the Collateral Manager (on behalf of the Issuer) intends to use reasonable endeavours to purchase the Portfolio of Collateral Obligations, subject to the Eligibility Criteria and certain other restrictions.

Sale of Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement, the Collateral Manager, on behalf of the Issuer, may dispose of any Collateral Obligation during and after the Reinvestment Period. See "*The Portfolio – Management of the Portfolio - Discretionary Sales*" and "*The Portfolio – Management of the Portfolio - Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities*" and "*The Portfolio – Terms and Conditions applicable to the Sale of Exchanged Equity Securities*".

Reinvestment in Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement and Principal Proceeds being available for such purpose, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the

Reinvestment Period.

Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Risk Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may, but are not required to, be reinvested by the Issuer or the Collateral Manager acting on behalf of the Issuer, in Substitute Collateral Obligations meeting the Eligibility Criteria and Reinvestment Criteria and subject to certain other restrictions. See "*The Portfolio — Management of the Portfolio*".

Eligibility Criteria

In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Obligation which must also satisfy the Eligibility Criteria on the Issue Date. See "*The Portfolio — Eligibility Criteria*".

Restructured Obligations

In order for a Collateral Obligation which is the subject of a restructuring to qualify as a Restructured Obligation, such Collateral Obligation must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See "*The Portfolio - Restructured Obligations*".

Collateral Quality Tests

The Collateral Quality Tests will comprise the following:

For so long as any of the Rated Notes are rated by Moody's and are Outstanding:

- (a) the Moody's Minimum Diversity Test;
- (b) the Moody's Maximum Weighted Average Rating Factor Test; and
- (c) the Moody's Minimum Weighted Average Recovery Rate Test;

For so long as any of the Rated Notes are rated by Fitch and 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 Obligations specified in the Portfolio Profile Tests and summarily displayed in the table below shall be determined by reference to the Collateral Principal Amount):

		Minimum	Maximum
(a)	Secured Senior Obligations in aggregate (including the Balances standing to the credit of the Principal Account and the Unused Proceeds Account)	90.0%	N/A
(b)	Secured Senior Loans	60.0%	N/A
(c)	Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds in aggregate	N/A	10.0%
(d)	Collateral Obligations of a single Obligor (in the case of Secured Senior Obligations)	N/A	2.5%, provided that up to three Obligor may represent up to 3.0% each
(e)	Collateral Obligations of a single Obligor (in the case of Collateral Obligations which are not Secured Senior Obligations)	N/A	1.5%
(f)	Collateral Obligations of a single Obligor	N/A	3.0%
(g)	Non-Euro Obligations	N/A	30.0%
(h)	Participations	N/A	5.0%
(i)	Current Pay Obligations	N/A	5.0%
(j)	Unfunded Amounts/Funded Amounts under Revolving Obligations/Delayed Drawdown Collateral Obligations	N/A	5.0%
(k)	CCC Obligations	N/A	7.5%
(l)	Caa Obligations	N/A	7.5%
(m)	Bridge Loans	N/A	3.0%
(n)	Corporate Rescue Loans	N/A	5.0%
(o)	PIK Securities	N/A	5.0%
(p)	Fixed Rate Collateral Obligations	N/A	10.0%

(q)	Fitch Industry Classification	N/A	Any three Fitch industry classifications may together represent up to 40.0% of the Collateral Principal Amount; and any one Fitch industry classification may represent up to 17.5% of the Collateral Principal Amount
(r)	Moody's Industry Classification	N/A	Any two Moody's industry classifications may comprise up to 12.0% of the Collateral Principal Amount and any one Moody's industry classification may comprise up to 15.0% of the Collateral Principal Amount
(s)	Moody's Rating derived from S&P rating	N/A	10.0%
(t)	Domicile of Obligors 1	N/A	10.0% Domiciled in countries or jurisdictions rated below "A-" by Fitch unless Rating Agency Confirmation from Fitch is obtained
(u)	Domicile of Obligors 2	N/A	10.0% Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained
(v)	Bivariate Risk Table	N/A	See limits set out in " <i>The Portfolio - Management of the Portfolio - Bivariate Risk Table</i> "
(w)	Cov-Lite Loans	N/A	40.0%
(x)	Loans originated by the Collateral Manager or an Affiliate of the Collateral Manager (provided that for the purposes of this calculation, loans that are syndicated to an initial lender group of greater than five shall not be counted as originated by the Collateral Manager or an Affiliate of the Collateral Manager, except where the Collateral Manager or an Affiliate thereof manages funds holding 40 per cent. or more of such loan)	N/A	20.0%

Coverage Tests

Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Measurement Date in the case of (i) the Par Value Tests (other than the Class E Par Value Test), on and after the Effective Date; (ii) in the case of the Class E Par Value Test on and after the expiry of the Reinvestment Period, and (ii) the Interest Coverage Tests on and 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.

Class	Required Par Value Ratio
A	130.85%
B	121.29%
C	114.46%
D	106.11%
E	103.72%

Class	Required Interest Coverage Ratio
A	120.00%
B	110.00%
C	105.00%
D	101.00%

Reinvestment Overcollateralisation Test

During the Reinvestment Period only, if the Class E Par Value Ratio is less than 103.72 per cent., on the relevant Determination Date, Interest Proceeds shall be applied in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Determination Date, at the discretion of the Collateral Manager (acting on behalf of the Issuer), (i) to the payment into the Principal Account to purchase additional Collateral Obligations as Principal Proceeds or (ii) to payment of the Rated Notes in accordance with the Note Payment Sequence.

Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment

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

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

The Rule 144A Notes of each Class (other than the Retention Notes) will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited with, and registered in the name of, a 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 Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. 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/QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

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

A transferee of a Class D Note, a Class E Note or Subordinated Note will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class D Note, Class E Note or Subordinated Note unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); and (iii) unless the written consent of the Issuer to the contrary is obtained, holds such Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate.

The Retention Notes will be represented on issue by Definitive Certificates and will be registered in the name of the Retention Holder.

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*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).

CM Removal and Replacement Voting Notes and CM Removal and Replacement Non-Voting Notes

The Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes and the Class C Notes, may, in each case, be in the form of CM Removal and Replacement Voting Notes or CM Removal and Replacement Non-Voting Notes. CM Removal and Replacement Voting Notes shall carry a right to vote in respect of, and be counted for the purposes of determining a quorum and the result of any CM Replacement Resolutions and any CM Removal Resolutions. CM 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 any CM Removal Resolutions or any CM Replacement Resolutions but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be counted.

Any beneficial interest in a Regulation S Global Certificate in the form of CM Removal and Replacement Voting Notes may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate in the form of CM Removal and Replacement Non-Voting Notes and any beneficial interest in a Regulation S Global Certificate in the form of CM Removal and Replacement Non-Voting Notes may be transferred to an entity that is not an Affiliate of the transferor who takes delivery thereof through a Regulation S Global Certificate in the form of CM Removal and Replacement Voting Notes upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

Any beneficial interest in a Rule 144A Global Certificate in the form of CM Removal and Replacement Voting Notes may be transferred to a person who takes delivery thereof through a Rule 144A Global Certificate in the form of CM Removal and Replacement Non-Voting Notes and any beneficial interest in a Rule 144A Global Certificate in the form of CM Removal and Replacement Non-Voting Notes may be transferred to an entity that is not an Affiliate of the transferor who takes delivery thereof through a Rule 144A Global Certificate in the form of CM Removal and Replacement Voting Notes upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor.

A Noteholder holding a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Non-Voting Notes may request by the delivery to a Transfer Agent of a written request that such beneficial interest be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Voting Notes only:

- (a) in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder; or
- (b) if the relevant Noteholder:
 - (i) is not the Collateral Manager or a Collateral Manager Related Person; and
 - (ii) provides to such Transfer Agent, at the expense of such Noteholder, an opinion issued by reputable legal counsel (which such Transfer Agent shall be entitled to accept without further enquiry) confirming that the investment by such Noteholder in such Notes in the form of CM Removal and Replacement Voting Notes will not cause such Notes held by such Noteholder to constitute "ownership interests" in the Issuer for the purposes of Section 619 of the Dodd-Frank Act.

Beneficial interests in a Global Certificate representing Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

Any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Non-Voting Notes.

Governing Law

The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents (save for the Corporate Services Agreement, which is governed by the laws of Ireland and the Account Control Agreement and the U.S. Security Agreement which are governed by the laws of New York) will be governed by English law.

Listing

This Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange p.l.c. (the "**Irish Stock Exchange**") for the Notes to be admitted to the official list (the "**Official List**") of the Irish Stock Exchange and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market

is a regulated market for the purposes of Directive 2004/39/EC. 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. See "*General Information*".

Tax Status

See "*Tax Considerations*".

Certain ERISA Considerations

See "*Certain ERISA Considerations*".

Withholding Tax

No gross-up of any payments will be payable to the Noteholders. See Condition 9 (*Taxation*).

Additional Issuances

Subject to certain conditions being met (including the prior written approval of the Retention Holder), additional Notes of all existing Classes or of the Subordinated Notes may be issued and sold. See Condition 17 (*Additional Issuances*).

Additional Notes that are not fungible with original Notes for U.S. federal tax purposes will be issued with a separate securities identifier.

Retention Requirements

The Retention Notes will be subscribed for by the Collateral Manager on the Issue Date and, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will undertake to retain the Retention Notes, with the intention of complying with the Retention Requirements. See "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" and "*Risk Factors – Risk Retention in Europe*".

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".

1. GENERAL

1.1 General

It is intended that the Issuer will invest in Collateral Obligations and other financial assets with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*The Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Prospectus carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payments. See Condition 3(c) (*Priorities of Payment*). In particular, payments in respect of the Class A-1 Notes are generally higher in the Priorities of Payments than those of the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes. Neither the Initial Purchaser nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Initial Purchaser 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 in the event of market emergencies. 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 CLO and Leveraged Finance Markets

European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain EU member states, rising government debt levels, credit rating downgrades and risk of default or restructuring of government debt. These events could cause bond yields and credit spreads to increase.

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

As discussed further in 1.6 ("*Euro and Euro Zone Risk*") below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of 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 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, adverse conditions in the primary market may reduce the ability of the Collateral Manager to invest and, ultimately, reduce the returns on the Notes to investors.

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

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

The 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 Collateral Manager in managing and administering the Collateral.

While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the CLO, leveraged finance or structured finance markets will recover from an economic downturn at the same time or to the same degree as such other recovering sectors.

1.6 Euro and Euro Zone Risk

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the

stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

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

Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, 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 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.

1.7 Regulatory Initiatives

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the banks, financial industry and 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 Initial Purchaser, the Collateral Manager, any Collateral Manager Related Person, 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.

1.8 Risk Retention in Europe

The CRR Retention Requirements apply to credit institutions and investment firms 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) that invest in or have an exposure to credit risk in securitisations. The CRR Retention Requirements impose an increased capital charge on a securitisation position acquired by such investors unless, among other conditions, (a) 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. in respect of certain specified credit risk tranches or asset exposures, and (b) such 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 22 July 2013, similar requirements applying to the EEA managers of alternative investment funds under the AIFMD became effective. Although the AIFMD Retention Requirements are similar to those applying under the CRR Retention Requirements, they are not identical and, in particular, additional due diligence obligations apply to such managers and, rather than resulting in an increased capital charge the sanction for non-compliance is a requirement to take corrective measures.

Requirements similar to the Retention Requirements will apply to investments in securitisations by other types of EEA investors such as EEA insurance and reinsurance undertakings and UCITS funds (together with investors to which the Retention Requirements apply, "**Affected Investors**"). The Retention Requirements, such other similar retention requirements 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.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators are unclear. In particular, in the context of the requirements which apply in respect of authorised alternative investment fund managers, there is uncertainty with respect to the corresponding technical standards which will apply to assist with the interpretation of such requirements, as such standards have not yet been finalised. No assurance can be provided that the final technical standards will not affect the compliance position of previously issued transactions and securities and/or the requirements applying to relevant investors in general.

The Retention Requirements apply to investors subject to such requirements when investing in the Notes. Such investors should therefore make themselves aware of the requirements of the Retention Requirements (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. 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 in the section entitled "*Description of the Collateral Management and Administration Agreement*", information elsewhere in this Prospectus generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying the Retention Requirements or any other applicable requirements. Affected Investors are required to independently assess and determine the sufficiency of such information. Notwithstanding anything in this Prospectus to the contrary, none of the Issuer, the Collateral Manager, the Initial Purchaser, 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 the Retention Requirements and/or other similar requirements 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 comply with or otherwise satisfy the requirements of the Retention Requirements or any other applicable legal, regulatory or other requirements. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the Retention Requirements and/or other similar requirements, then if you are an Affected Investor you may be required by your regulator to set aside additional capital against your investment in the Notes or to take other corrective action.

With respect to the fulfilment by the Collateral Manager of the requirements of the Retention Requirements, please refer to the section entitled "*Description of the Collateral Management and Administration Agreement*" below.

1.9 **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. The provisions of EMIR will apply to financial counterparties and non-financial counterparties who exceed certain thresholds among others. It is currently believed that any Hedge Transactions entered into by the Issuer should not need to be centrally cleared.

Non-financial counterparties are exempted from the general obligation to clear all "eligible" OTC derivative contracts through a duly authorised or recognised central counterparty, provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and its "group", excluding eligible hedging transactions, do not exceed certain thresholds (although non-financial counterparties will be subject to certain reporting obligations (in respect of which the Issuer may appoint one or more reporting delegates) and risk mitigation obligations in relation to timely confirmation, portfolio reconciliation and compression and the implementation of dispute resolution procedures). If the Issuer is considered to be a member of such a "group" and if the notional value of

derivative contracts entered into by the Issuer or any such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation (in respect of all of the Issuer's derivative contracts to which the clearing obligation would apply). Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group" exceeds the applicable thresholds, the applicable regulator may take a different view. In the event that the Issuer exceeds the applicable clearing thresholds, it would also be subject to more onerous reporting and risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts.

The Issuer would be unable to comply with such requirements, which could result in the sale of Non-Euro Obligations and/or termination of relevant Hedge Agreements. Hedge Counterparties may also be unable to enter into hedge transactions with the Issuer. This would limit the Issuer's ability to invest in Non-Euro Obligations and could put it in breach of its obligation (subject to the Eligibility Criteria and the Portfolio Profile Tests) to enter into Currency Hedge Transactions with respect to Non-Euro Obligations that it has purchased. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold.

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 Hedge Transactions) and may adversely affect the Issuer's ability to enter into Hedge Transactions and therefore the Issuer's ability 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.

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

1.10 Alternative Investment Fund Managers Directive

AIFMD became effective on 22 July 2013, and introduces authorisation and regulatory requirements for managers of alternative investment funds ("AIFs"). If the Issuer were to be considered to be an AIF for the purposes of AIFMD, it would need to be managed by an alternative investment fund manager (an "AIFM"). The Collateral Manager is not authorised under AIFMD but is authorised under European Union Directive 2004/39/EC (as amended from time to time) ("MiFID"). As the Collateral 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 1.8 *"Risk Retention in Europe"* above). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions including obligations to post margin to any central clearing counterparty or market counterparty. See also 1.9 *"EMIR"* above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), defined by reference to securitisation within the meaning of Article 1(2) of Regulation (EC) No 24/2009 of the European Central Bank of 19 December 2008. The European Securities and Markets Authority ("**ESMA**") has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it.

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

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

In addition, if the AIFMD were to apply to the Issuer (which at this stage is unclear), certain duties and responsibilities will be imposed on the Collateral Manager in respect of its management of the Portfolio. Such duties and responsibilities, were they to apply to the Collateral Manager's management of the assets of the Issuer, may result in additional costs and expenses incurred by the Collateral Manager which, in respect of some such fees and expenses, may be reimbursable by the Issuer to the Collateral Manager pursuant to the Collateral Management and Administration Agreement as an Administrative Expense.

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 which the Issuer certifies are required in order to comply with requirements of AIFMD which may become applicable at a future date.

1.11 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 the most 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 and the Collateral Manager and its subsidiaries and affiliates that transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While 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, and while other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and affiliates and the Issuer will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

This uncertainty is further compounded by the numerous regulatory efforts underway outside the U.S. Certain of these efforts overlap with the substantive provisions of the Dodd-Frank Act, while others, such as proposals for financial transaction and/or bank taxes in particular countries or regions, do not. In addition, even where these U.S. and international regulatory efforts overlap, these efforts generally have not been undertaken on a coordinated basis. Areas where divergence between U.S. regulators and their international counterparts exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) includes trading, clearing and reporting requirements for derivatives transactions, higher U.S. capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others.

Investors should be aware that those risks are material and that the Issuer and Citigroup Global Markets Limited could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by the Dodd-Frank Act and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

1.12 CFTC Regulations

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 Collateral Manager of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Obligations, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

1.13 **Commodity Pool Regulation**

The Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a "commodity pool" as defined in the United States Commodity Exchange Act of 1936, as amended (the "CEA") and the Collateral Manager to be a "commodity pool operator" ("CPO") and/or a "commodity trading advisor" ("CTA"), each as defined in the CEA, in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a "commodity pool" to include certain investment vehicles operated for the purpose of trading in "commodity interests" which term includes swaps. CPOs and CTAs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on CFTC interpretive guidance, the Issuer is not expected to be treated as a commodity pool and as such, the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of "swap" as set out in the CEA) following receipt of legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers or the Collateral Manager or any of its directors, officers or employees should as a result be required to register as a CPO or CTA with the CFTC with respect to the Issuer.

Notwithstanding the above, in the event that the CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to be treated as a commodity pool and no exemption from registration is available, registration of the Collateral Manager as a CPO and/or CTA may be required before the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Collateral Manager as a CPO with respect to the Issuer could cause the Collateral Manager to be subject to extensive compliance and reporting requirements. The costs of obtaining and maintaining these registrations and the related compliance obligations would be paid by the Issuer as Administrative Expenses. Such costs are uncertain but 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 Collateral Manager elected to file for an exemption, the Collateral Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Collateral Manager believes would be advisable or may result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer.

Further, if the Collateral Manager determines that additional Hedge Transactions should be entered into by the Issuer in excess of the trading limitations set forth in any applicable exemption from registration as a "commodity pool operator", the Collateral Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO/CTA. The related registration and compliance costs could be materially greater than the Collateral Manager anticipated when deciding to enter into the transaction and register as a CPO/CTA. In addition, it may not be possible or advisable for the Collateral Manager to withdraw from registration as a CPO/CTA after any relevant swap transactions terminate or expire. The costs of CPO/CTA registration and the ongoing CPO/CTA compliance obligations of the Collateral Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

1.14 Volcker Rule

Another consequence of the CFTC's expansive interpretation of commodity pool and related definitions is presented under the final rules implementing Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") which have been adopted and become effective on 21 July 2015. In their final rulemaking, the agencies charged with drafting regulations under the Volcker Rule, including the CFTC, construed the statutory definition therein of "hedge fund" and "private equity fund" as providing them with discretion to define the term "covered fund" to include any commodity pool as defined in the CEA, without regard as to whether the commodity pool is in the nature of a hedge fund or a private equity fund. In addition, the term "covered fund" is broadly defined under the Volcker Rule to also include any issuer which would be an investment company under the Investment Company Act but is exempt from registration under Section 3(c)(1) or 3(c)(7) of that Act. If the Issuer is deemed to be a commodity pool, or otherwise characterised as a "covered fund" due to reliance on Section 3(c)(7) of the Investment Company Act or for any other reason, then in the absence of regulatory relief, the provisions of the Volcker Rule, including the so-called "Super 23A" provisions, would generally prohibit U.S. banking institutions and other banking entities subject to the Volcker Rule (including certain non-U.S. affiliates of U.S. banking entities) from maintaining an ownership interest (or other similar interest) in the Issuer, sponsoring the Issuer or, under certain circumstances, entering into "Super 23A" covered transactions, such as extending credit to the Issuer, or entering into derivative transactions with the Issuer. The Volcker Rule also includes prohibitions on the ability of banking entities to engage in proprietary trading.

The Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose, and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes in the form of CM Removal and Replacement Non-Voting Notes in respect of any CM Removal Resolution or CM Replacement Resolution. There can be no assurance that these steps will be effective to avoid investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule (whether in the form of CM Removal and Replacement Non-Voting Notes or otherwise) being deemed to be an "ownership interest" in the Issuer.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Initial Purchaser or the Arranger makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

1.15 Reliance on Rating Agency Ratings

The Dodd-Frank Act requires that U.S. 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.

1.16 Flip Clauses

The validity and enforceability of certain provisions in contractual priorities of payments (such as the Priorities of Payment) which purport to alter the priority in which a particular secured creditor is paid

as a result of the occurrence of one or more specified trigger events, including the insolvency of such creditor ("**flip clauses**"), have been challenged 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.

1.17 **LIBOR and EURIBOR Reform**

Concerns have been raised by a number of regulators that some of the member banks surveyed by the British Bankers' Association (the "**BBA**") in connection with the calculation of the London interbank offered rate ("**LIBOR**") across a range of maturities and currencies may have been manipulating the inter-bank lending rate. There have also been allegations that member banks may have manipulated EURIBOR and other inter-bank lending rates. If manipulation of EURIBOR or LIBOR or another inter-bank lending rate occurred, it may have resulted in that rate being artificially lower (or higher) than it would otherwise have been.

A review of LIBOR was conducted at the request of the UK Government, following which a number of recommendations for changes with respect to LIBOR including the introduction of statutory regulation of LIBOR, replacing the BBA as administrator of LIBOR with an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and reduction in the number of currencies and tenors for which LIBOR is published. It is anticipated that a reform of EURIBOR will be implemented also, which may (but will

not necessarily) be in a similar fashion. Accordingly, EURIBOR calculation and publication could be altered, suspended or discontinued. It is not possible to predict the effect of any changes in the methods pursuant to which the LIBOR and/or EURIBOR rates are determined and any other reforms to LIBOR and/or EURIBOR that will be enacted in the UK and elsewhere. Any such changes or reforms to LIBOR and/or EURIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR and/or EURIBOR rates, which could have an adverse impact on the value of the Notes and any payments linked to LIBOR and/or EURIBOR thereunder.

Any new administrator of LIBOR and/or EURIBOR may make methodological changes that could change the level of LIBOR or EURIBOR, which in turn may adversely affect the value of the floating rate Collateral Obligations. Any new administrator of LIBOR or EURIBOR may also alter, discontinue or suspend calculation or dissemination of LIBOR or EURIBOR. No administrator of LIBOR or EURIBOR will have any obligation to any investor in respect of any floating rate Collateral Obligations. The administrator of LIBOR or EURIBOR may take any actions in respect of LIBOR or EURIBOR without regard to the interests of any investor in the Notes, and any of these actions could have an adverse effect on the value of the Notes.

The proposals to reform LIBOR in the UK also include compelling more banks to provide LIBOR submissions, and basing these submissions on actual transaction data. This may cause LIBOR to be more volatile than it has been in the past, which may adversely affect the value of the floating rate Collateral Obligations and, in turn, the Notes. It is uncertain if such changes will be made to LIBOR and if so whether corresponding changes will be made to EURIBOR.

If any proposed changes when implemented change the way in which LIBOR or EURIBOR is calculated with respect to floating rate Collateral 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. Investors should consider these recent developments when making their investment decision with respect to the Notes.

1.18 FATCA

Tax provisions commonly known as the Foreign Account Tax Compliance Act (or "**FATCA**") may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2017 to a foreign financial institution ("**FFI**") (such as the Issuer) that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its U.S. accountholders. Further, FATCA may impose a withholding tax of up to 30 per cent. on gross payments due under derivatives in certain circumstances and, in certain circumstances, beginning no earlier than 1 January 2017, the U.S. portion (determined under a method not yet announced) of income and gross proceeds arising from non-U.S. sources.

The United States has recently concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA, including Ireland. Under the IGA with Ireland (the "**Irish IGA**"), the Issuer will not be required to enter into an agreement with the IRS (an "**IRS Agreement**") provided that it complies with legislation enacted by Ireland that generally is expected to require similar information to be collected and reported to the Irish taxing authorities, in which case it will be deemed compliant.

Unless exempted or deemed compliant (including pursuant to the Irish IGA), the Issuer may enter into an IRS Agreement to avoid the withholding tax. Such an FFI that does not enter into an IRS

Agreement or whose IRS Agreement is voided by the IRS will be treated as a **"non-Participating FFI"**. The Issuer expects that an applicable IGA or an IRS Agreement (as appropriate) will require the Issuer (or an intermediary financial institution, broker or agent (each, an **"Intermediary"**) through which a beneficial owner holds its interest in a Note) to agree to (i) obtain certain identifying information regarding the holder of such Note to determine whether the holder is a U.S. person or U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the Irish IGA or the IRS Agreement (as appropriate), the Issuer will be obliged to obtain information from all Noteholders. To the extent any payments in respect of the Notes are made to a Noteholder by an Intermediary, such Noteholder may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own FATCA obligations. Any Noteholder that fails to properly comply with the Issuer's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to a taxing authority, will be treated as a **"Recalcitrant Holder"**.

The Issuer or an Intermediary may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Noteholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the Noteholder is a non-Participating FFI). Neither the Issuer nor an Intermediary will make any additional payments to compensate a Noteholder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Issuer may be required to cause the disposition or transfer of Notes held by a Recalcitrant Holder or a Noteholder that is a non-Participating FFI and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Notes transferred.

In general, U.S. source obligations that are outstanding as of 30 June 2014 and non-U.S. source obligations that are outstanding on the latter of 30 June 2014 and the date that is six months after the adoption of final U.S. Treasury regulations addressing withholding on "foreign passthru payments" and, in each case, that are not modified and treated as reissued, for U.S. federal income tax purposes, after the relevant date (such obligations, **"Grandfathered Obligations"**) will not be subject to withholding. Obligations that are treated as equity for U.S. federal income tax purposes (e.g. the Subordinated Notes and any other Class of Notes required to be treated as equity for U.S. federal income tax purposes) and certain debt obligations lacking a definitive term (such as saving and demand deposits), however, are not eligible for grandfathering. Because the Notes are expected to be treated as non-U.S. source obligations and final regulations addressing foreign passthru payments have not yet been issued, the Notes (other than the Subordinated Notes and any other Class of Notes characterised as equity in the Issuer) are expected to qualify for the grandfathering exemption. As discussed in *"U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Rated Notes – Possible Treatment of Rated Notes as Equity for U.S. Federal Tax Purposes"* other classes of Notes may be recharacterised as equity for U.S. federal income tax purposes and in such a case will not qualify for the grandfathering exemption.

If the Issuer does not comply with its obligations under FATCA, it may be subject to a 30 per cent. withholding tax on certain payments to it. Further, the Issuer's failure to comply with its obligations under FATCA may preclude certain of its affiliates from themselves complying with FATCA. 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 prevented 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 be prevented from complying with FATCA. Furthermore, 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 prevented from complying with FATCA. For these purposes, ownership of the majority of the Subordinated Notes of the Issuer is likely to constitute the requisite ownership. 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 U.S. 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 person from holding more than 50 per cent. of the Issuer's equity (for US federal income tax purposes), it may force the sale of all or a portion of the equity (for US federal income tax purposes) held by such a person if such holder is an FFI affiliate of the Issuer that is preventing the Issuer from complying with FATCA. For these purposes, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would result in the Issuer complying with FATCA.

There can be no assurance that payments to the Issuer in respect of its assets, including on a Collateral Obligation, will not be subject to withholding under FATCA (and in such event there will be no "gross-up" by the Issuer). In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an Intermediary is subject to withholding for its failure to comply with FATCA. Accordingly, a holder should consult its own tax advisors as to the potential implications of FATCA (and other U.S. withholding taxes) on the Notes before investing.

1.19 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 Initial Purchaser, the Collateral 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 Initial Purchaser, the Collateral 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 Initial Purchaser, the Collateral Manager or the Trustee to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Initial Purchaser, the Collateral 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 Initial Purchaser, the Collateral Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

1.20 Third Party Litigation; Limited Funds Available

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer in accordance with the Priorities of Payment. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available in accordance with the Priorities of Payment. 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 the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

1.21 CRA

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**"). Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to such instruments. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). As yet, this website has not been set up so issuers, originators and sponsors cannot currently comply with Article 8(b). ESMA is also mandated by CRA3 to produce

Regulatory Technical Standards ("RTS") detailing the scope and nature of the required disclosure. Whilst these have been published in draft form, they are subject to consultation and may be changed. 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 RTS are final.

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

1.22 The Proposed Financial Transactions Tax

During 2012 the EU Commission attempted to introduce an EU-wide tax on financial transactions. However not all EU member states were in favour of such a tax and therefore, the tax could not be implemented in all EU member states. Subsequently, 11 EU member states requested that the EU Commission develop a proposal for the introduction of a common financial transactions tax ("FTT") for each of those member states. The EU Commission developed such a proposal under the EU's enhanced cooperation procedure which allows 9 or more EU member states to implement common legislation. In January 2013, the EU Council of Ministers authorised the Commission to proceed with enhanced cooperation for a common FTT and in February 2013 the EU Commission published a draft Directive containing proposals for the FTT. This FTT is intended to be introduced only in the 11 participating EU member states (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia).

In its current form, the proposed FTT imposes a charge on financial transactions including purchases and sales of financial instruments; this charge will be levied at not less than 0.1 per cent. of the sale price. The FTT also imposes a charge on the conclusion of, and a purchase and sale of, a derivative contract; this charge will be levied at not less than 0.01 per cent. of the notional amount of the derivative. A charge to FTT will arise in a participating EU member state if at least one party to a financial transaction is established in that EU member state and a financial institution established in (or treated as established in) that EU member state is a party to the transaction, for its own account, for the account of another person, or if the financial institution is acting in the name of a party to the transaction or if the financial transaction in which the parties are dealing is issued in that participating EU member state.

It is important to be aware that under the proposed FTT a financial institution will be treated as established in a participating EU member state if its seat is there, it is authorised there (as regards authorised transactions) or it is acting via a branch in that EU member state (as regards branch transactions), or for a particular transaction, merely because it is entering into the financial transaction with another person who is established in that EU member state. Furthermore, a financial institution will be treated as established in a participating EU member state in respect of a financial transaction if it is a party (for its own account or for the account of another person) or is acting in the name of a party, to a financial transaction in respect of a financial instrument issued within that EU member state. The other party to such a transaction will also be treated as established in that EU member state and the proposed FTT will apply to both transaction parties.

There are limited exemptions to the proposed FTT; one important exemption is the "primary market transactions" exemption which should cover the issuing, allotment, underwriting or subscribing for shares, bonds and securitised debt, but not derivative contracts. Even though the proposed FTT would only be introduced in participating EU member states, it can be seen from above that it could impact financial institutions operating inside and outside the 11 participating EU member states, and the proposed FTT could be payable in relation to the Notes if the proposed FTT is introduced and the conditions for a charge to arise are satisfied.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current FTT proposal are controversial and the FTT proposal remains subject to

negotiation between the participating EU member states and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Further, considerable uncertainty continues to surround the legality of the current proposal for the FTT and its scope. Prospective holders of the Notes are strongly advised to seek their own professional advice in relation to the FTT.

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

The Conditions oblige the Trustee, without the consent of any of the Noteholders, to concur in the making of any modification of any of the provisions of any Transaction Document to facilitate compliance by the Issuer with any FTT that it is or becomes subject to.

1.23 The Issuer is expected to be treated as a passive foreign investment company

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a U.S. Holder of Subordinated Notes (and any Class of Notes treated as equity for U.S. federal income tax purposes) may be subject to adverse tax consequences unless such Noteholder elects to treat the Issuer as a qualifying electing fund and to recognise currently its proportionate share of the Issuer's income whether or not distributed to such U.S. Holder. In addition, depending on the overall ownership of interests in the Issuer, a U.S. Holder of more than 10 per cent. of the Subordinated Notes may be treated as a U.S. shareholder in a controlled foreign corporation and required to recognise currently its proportionate share of the "subpart F income" of the Issuer, whether or not distributed to such U.S. Holder. A U.S. Holder that makes a qualified electing fund election, or that is required to include subpart F income in the event that the Issuer is treated as a controlled foreign corporation, may recognise income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Notes or accrues income on the Collateral Obligations prior to the receipt of cash or the Issuer discharges its debt at a discount. A U.S. Holder that makes a qualified electing fund election or that is required to recognise currently its proportionate share of the subpart F income of the Issuer will be required to include in the current income its *pro rata* share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such Noteholder.

2. RELATING TO THE NOTES

2.1 Limited Liquidity and Restrictions on Transfer

Although there is currently a limited market for notes representing collateralised debt obligations similar to the Notes (other than the Subordinated Notes), there is currently no market for the Notes themselves. The Initial Purchaser or its Affiliates, as part of their activities as broker and dealer in fixed income securities, may make a secondary market in relation to these Notes (other than the Subordinated Notes), but is not obliged to do so and any such market making may be discontinued at any time without notice. Any indicative prices provided by the Initial Purchaser or its Affiliates shall be determined in the Initial Purchaser's sole discretion taking into account prevailing market conditions and shall not be a representation by the Initial Purchaser or its Affiliates that any instrument can be purchased or sold at such prices (or at all). Notwithstanding the above, the Initial Purchaser or its Affiliates may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. Where a market does exist, to the extent that an investor wants to sell these securities, the price may, or may not, be at a discount from the outstanding principal amount. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See "*Plan of*

Distribution" and *Transfer Restrictions*". Such restrictions on the transfer of the Notes may further limit their liquidity.

In addition, there are restrictions as to the circumstances in which Notes held in the form of CM Removal and Replacement Non-Voting Notes may be exchanged for Notes held in the form of CM Removal and Replacement Voting Notes. Such restrictions on exchange may limit their liquidity.

2.2 Optional Redemption and Market Volatility

The market value of the Collateral Obligations may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans and high yield bonds), European and international political events, events in the home countries of the issuers of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such issuers. The secondary market for senior and mezzanine loans and high yield bonds is still limited. A decrease in the market value of the Portfolio would adversely affect the amount of proceeds which could be realised upon liquidation of the Portfolio and ultimately the ability of the Issuer to redeem the Notes.

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b) (*Optional Redemption*). There can be no assurance, however, that such optional redemption provision will be capable of being exercised in accordance with the conditions set out in Condition 7(b) (*Optional Redemption*) which may, in some cases, require a determination that the amount realisable from the Portfolio in such circumstances is greater than the aggregate of all amounts which would be due and payable on redemption of the Rated Notes and to the other creditors of the Issuer pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payment and certain other amounts. Furthermore, prospective investors should note that such optional redemption is subject to the consent of the Collateral Manager, which consent may be withheld in the Collateral Manager's sole discretion, but shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes.

2.3 The Notes are subject to Optional Redemption in whole or in part by Class

The Rated Notes may be redeemed in whole from Sale Proceeds and/or Refinancing Proceeds (A) in the case of a redemption on any Business Day falling on or after the expiry of the Non-Call Period at the option of the Subordinated Noteholders acting by way of Ordinary Resolution but subject to the consent of the Collateral Manager, (B) on any Payment Date following the occurrence of a Note Tax Event at the direction of (i) the Controlling Class acting by Ordinary Resolution or (ii) subject to the consent of the Collateral Manager, the Subordinated Noteholders acting by Ordinary Resolution or (C) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution but subject to the consent of the Collateral Manager.

In addition, the Rated Notes may be redeemed in part by Class from Refinancing Proceeds at the applicable Redemption Prices, from any Refinancing Proceeds on any Business Day falling on or after expiry of the Non-Call Period at the direction of (i) the Collateral Manager or (ii) the Subordinated Noteholders (acting by Ordinary Resolution) but subject to the consent of the Collateral Manager, at least 30 days prior to the Redemption Date to redeem such Class of Rated Notes. Any such redemption shall be of an entire Class or Classes of Notes subject to a number of conditions. See Condition 7(b) (*Optional Redemption*).

Prospective investors in the Subordinated Notes should note that their ability to direct or elect for optional redemption of the Rated Notes (in whole or in part by Class) in the above circumstances is subject to the consent of the Collateral Manager at the time, which consent may be withheld in the Collateral Manager's sole discretion but shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes.

Following the expiry of the Non-Call Period, the Issuer shall redeem the Rated Notes in whole from Sale Proceeds on any Business Day, if the Collateral Principal Amount is less than 20 per cent. of the Target Par Amount, subject to (i) the right of the holders of not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes to object to such redemption; and (ii) the right of the Collateral Manager to object to such redemption, in each case in accordance with the Conditions and the Trust Deed.

As described in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), Refinancing Proceeds may be used in connection with either a redemption in whole of the Rated Notes or a redemption in part of the Rated Notes by Class. In the case of a Refinancing upon a redemption of the Rated Notes in whole but not in part, such Refinancing will only be effective if (among other things) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed, and all other available funds will be at least sufficient to pay any Refinancing Costs (including, for the avoidance of doubt, any Trustee Fees and Expenses that are Refinancing Costs and any Administrative Expenses that are Refinancing Costs) and all amounts due and payable in respect of all Classes of Notes (including without limitation Deferred Interest on any Class of Notes entitled thereto) save for the Subordinated Notes and all amounts payable in priority thereto (subject to any election to receive less than 100 per cent. of Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments.

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class, such Refinancing will only be effective if certain conditions are satisfied including but not limited to: (i) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest 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 accrued and unpaid Administrative Expenses and Trustee Fees and Expenses in connection with such Refinancing.

The Trust Deed provides that the holders of the Subordinated Notes will not have any cause of action against any of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Trust Deed, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Trust Deed to the extent necessary to reflect the terms of the Refinancing and no consent for such amendments shall be required from the holders of the Notes other than the holders of the Subordinated Notes acting by way of Ordinary Resolution. No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not direct such redemption).

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, at the direction of the Subordinated Noteholders (acting by way of Ordinary Resolution), but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes.

In the event of an early redemption, the holders of the Notes will be repaid prior to the Maturity Date. Where the Notes are to be redeemed by liquidation, there can be no assurance that the Sale Proceeds realised and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes. In addition, an Optional Redemption could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Obligations sold.

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion provides written certification to the

Trustee (on which the Trustee may rely without further enquiry) that it (A) has been unable, for a period of at least 20 consecutive Business Days using commercially reasonable endeavours, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional or Substitute Collateral Obligations or (B) at any time after the Effective Date, has determined, acting in a commercially reasonable manner, that a redemption is required in order to avoid a Rating Event. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payment. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make payments with respect to the Subordinated Notes.

2.5 Mandatory Redemption of the Notes

Certain mandatory redemption arrangements may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders or the level of the returns to the Subordinated Noteholders, including in relation to mandatory redemption following the breach of any of the Coverage Tests. The Class E Par Value Test only applies following the expiry of the Reinvestment Period. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

2.6 The Reinvestment Period may terminate early

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

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

After the end of the Reinvestment Period, the Collateral Manager may continue to reinvest Unscheduled Principal Proceeds received with respect to the Collateral Obligations and the Sale Proceeds from the sale of Credit Risk Obligations, subject to certain conditions set forth in the Trust Deed.

2.8 Additional Issuances of Notes and Other Actions May Prevent the Failure of Coverage Tests and an Event of Default

At any time, subject to certain conditions (including the prior approval of the Retention Holder), the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations or (in the case of an issuance of additional Subordinated Notes) to be applied as Interest Proceeds. See Condition 17 (*Additional Issuances*).

In addition, the Collateral Manager may, pursuant to the Priorities of Payment, redirect funds (including by deferring or waiving payment of some or all of its Collateral Management Fees) or the Subordinated Noteholders may in certain circumstances designate Reinvestment Amounts, in each case to be applied toward the acquisition of additional Collateral Obligations or other Permitted Uses.

Any such actions 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 of the highest ranking Class of Notes.

2.9 Limited Recourse Obligations

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or

payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse and Non-Petition*). None of the Collateral Manager, any Collateral Manager Related Person, the Noteholders of any Class, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty, the Corporate Services Provider or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Obligations and other Collateral for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Obligations and other Collateral will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payment. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Collateral Manager, any Collateral Manager Related Person, the Noteholders, the Initial Purchaser, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty, the Corporate Services Provider or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payment, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne (as amongst the Noteholders) by (a) firstly, the Subordinated Noteholders; (b) secondly, the Class E Noteholders; (c) thirdly, the Class D Noteholders; (d) fourthly, the Class C Noteholders; (e) fifthly, the Class B Noteholders; (f) sixthly, the Class A-2 Noteholders; and (g) lastly the Class A-1 Noteholders, in each case in accordance with the Priorities of Payment.

In addition, at any time while the Notes are Outstanding, none of the Noteholders nor the Trustee nor any other Secured Party (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, the Trust Deed or otherwise owed to the Noteholders, save for lodging a claim in the liquidation of the Issuer which is initiated by another party (which is not an Affiliate of such party) or taking proceedings to obtain a declaration as to the obligations of the Issuer nor shall any of them have a claim arising in respect of the share capital of the Issuer.

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

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

2.12 Subordination of the Notes

Except as described below the Class A-2 Notes are fully subordinated to the Class A-1 Notes, the Class B Notes are fully subordinated to the Class A-1 Notes and the Class A-2 Notes, the Class C Notes are fully subordinated to the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, the Class D Notes are fully subordinated to the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes, the Class E Notes are fully subordinated to the Class A-1 Notes, the Class A-2A Notes and the Class A-2B Notes, the Class B Notes, the Class C Notes and the Class D Notes and the Subordinated Notes are fully subordinated to the Rated Notes.

The payment of principal on any other Classes of Notes may not be made until all payments of principal and interest due and payable on any Classes of Notes ranking in priority thereto pursuant to the Priorities of Payment have been made in full. Payments on the Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes has been paid and, subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts

which would have been payable on the Subordinated Notes to the Supplemental Reserve Account to be applied in the acquisition of Substitute Collateral Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations, and the requirement to transfer amounts to the Principal Account (or to repay principal on the Notes in accordance with the Note Payment Sequence) in the event that the Reinvestment Overcollateralisation Test is not met during the Reinvestment Period.

Non payment of any Interest Amounts due and payable in respect of the Class A-1 Notes, the Class A-2 Notes or any other Class of Notes (other than the Subordinated Notes) constituting the Controlling Class on any Payment Date will constitute an Event of Default (where such non payment continues for a period of at least five Business Days or ten Business Days in the case of an administrative error or omission after the Collateral Administrator or Paying Agent receives notice of or has actual knowledge of such error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A-1 Noteholders (or following redemption in full of the Class A-1 Notes, the Class A-2 Noteholders and following redemption in full of the Class A-2 Notes, as determined pursuant to the definition of "Controlling Class"), acting by Extraordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*).

In the event of any redemption in full or acceleration of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes will also be subject to automatic redemption and/or acceleration and the Collateral will, in each case, be liquidated. Liquidation of the Collateral at such time or remedies pursued by the Trustee upon enforcement of the security over the Collateral could be adverse to the interests of the Class A-1 Noteholders, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders or the Subordinated Noteholders, as the case may be. To the extent that any losses are incurred by the Issuer in respect of any Collateral, such losses will be borne first by the Subordinated Noteholders, then by the Class E Noteholders, then by the Class D Noteholders, then by the Class C Noteholders, then by the Class B Noteholders, then by the Class A-2 Noteholders and, finally, by the Class A-1 Noteholders. Remedies pursued on behalf of the Class A-1 Noteholders could be adverse to the interests of the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class A-2 Noteholders could be adverse to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class B Noteholders could be adverse to the interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class C Noteholders could be adverse to the interests of the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class D Noteholders could be adverse to the interests of the Class E Noteholders and the Subordinated Noteholders. Remedies pursued on behalf of the Class E Noteholders could be adverse to the interests of the Subordinated Noteholders.

The Trust Deed provides that in the event of any conflict of interest among or between the Class A-1 Noteholders, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of: (i) the Class A-1 Noteholders over the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (ii) the Class A-2 Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iv) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (v) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders and (vi) the Class E Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class which is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes, provided

that such action is consistent with the applicable law and with all other provisions of the Trust Deed. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

2.13 Amount and Timing of Payments

To the extent that interest payments on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the principal amount Outstanding of the Class B Notes, the Class C Notes, the Class D Notes or the Class E 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 B Notes, the Class C Notes, the Class D Notes or the Class E 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 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 Obligations by or on behalf of the Issuer and the amounts of the claims of creditors of the Issuer ranking in priority to the holders of each Class of the Notes. In particular, prospective purchasers of such Notes should be aware that the amount and timing of payment of the principal and interest on the Collateral Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Obligations and on whether or not any Obligor thereunder defaults in its obligations.

As described above, failure to pay scheduled interest on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, 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.

2.14 Reports Will Not Be Audited

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

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

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

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

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Rated Notes at any time in the future. Further, the Rating Agencies may retroactively apply any new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note

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

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

Rating Agencies may refuse to give rating agency confirmations

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

If a Rating Agency announces or informs the Trustee, the Collateral Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. Further, in connection with the Effective Date, if either Rating Agency has not yet confirmed its initial ratings of the applicable Rated Notes, the applicable Rated Notes will be subject to redemption in part in an amount and in the manner described under Condition 7(e) (*Redemption upon Effective Date Rating Event*). There can be no assurance that a Rating Agency will provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants, or not subsequently withdraw or downgrade its ratings on one or more Classes of Rated Notes, which could materially adversely affect the value or liquidity of the Notes.

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

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

Each Rating Agency must be able to reasonably rely on the arranger's certifications. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction, such Rating Agency may withdraw its ratings of the Rated Notes. In such case, the withdrawal of ratings by any Rating Agency may adversely affect the price or transferability of the Rated Notes and may

adversely affect any beneficial owner that relies on ratings of securities for regulatory or other compliance purposes.

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

The SEC may determine that one or both of the Rating Agencies no longer qualifies as a nationally recognised statistical rating organisation (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.

2.16 Average Life and Prepayment Considerations

The Maturity Date of the Notes is the Payment Date falling in August 2027 or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral 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 issuers of the underlying Collateral 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 Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the Collateral Obligations and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

2.17 Volatility of the Subordinated Notes

The Subordinated Notes represent a leveraged investment in the underlying Collateral 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 Obligations, which themselves are subject to credit, liquidity, interest rate and other risks. Utilisation of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the Subordinated Noteholders' opportunities for gain and risk of loss. In certain scenarios, the Notes may not be paid in full, and the Subordinated Notes and one or more Classes of Rated Notes may be subject to a partial or a 100 per cent. loss of invested capital. The Subordinated Notes represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio, including defaults and losses, a reduction of realised yield or other factors, will be borne first by holders of the Subordinated Notes, and then by the holders of the Rated Notes in reverse order of seniority.

In addition, the failure to meet certain Coverage Tests will result in cash flow that may have been otherwise available for distribution to the Subordinated Notes, to pay interest on one or more subordinate Classes of Rated Notes or for reinvestment in Collateral 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 2.5 ("*Mandatory Redemption of the Notes*") above.

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

2.18 Net Proceeds less than Aggregate Amount of the Notes

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

2.19 Withholding Tax on the Notes

So long as the Notes remain listed on the Main Securities Market of the Irish Stock Exchange or another recognised stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997 of Ireland, no withholding tax would currently be imposed on payments of principal or interest on the Notes. However, there can be no assurance that the law will not change or that payments will not become subject to withholding taxes. In particular, the Issuer has the right to withhold on all payments made to any beneficial owner of an interest in any of the Notes that fails to comply with its requests for identifying information to enable the Issuer to comply with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto) or to certain FFIs that fail to enter into a FATCA Agreement with the IRS or comply with an applicable IGA. See 1.18 "*FATCA*" above.

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

In the event of the occurrence of a Note Tax Event pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction on account of tax (other than in the circumstances set out in the definition thereof, including, without limitation, withholding tax in respect of FATCA), the Notes may be redeemed in whole but not in part at the direction of the holders of (i) the Controlling Class or (ii) subject to the consent of the Collateral Manager, which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes, the Subordinated Notes, in each case acting by way of Ordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances in accordance with the Priorities of Payment.

2.20 Security

Clearing Systems: Collateral Obligations or other assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer. Those assets held in clearing systems will not be held in special purpose accounts and will be fungible with other securities from the same issue held in the same accounts on behalf of the other customers of the Custodian or its sub custodian, as the case may be. A first fixed charge over the Portfolio will be created under English law pursuant to the Trust Deed on the Issue Date and, in relation to the Collateral Obligations that are held through the Custodian (and the Accounts opened with the Account Bank and Custodian) the Issuer will grant a supplemental security in favour of the Trustee pursuant to the U.S. Security Agreement under New York law. Such security interests over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency and Account Bank Agreement and the Account Control Agreement (each as defined in the Conditions) which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian or its sub-custodian.

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

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

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

2.21 Resolutions, Amendments and Waivers

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

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

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

In the event that a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined

by reference to the percentage which the Notes voted in favour represent of the total amount of Notes voted in respect of such Resolution and not the aggregate Principal Amount Outstanding of all such Notes held or represented by any person or persons entitled to vote at such meeting. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter. There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or 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 each Class of Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In the event that a quorum requirement is not satisfied at any meeting, those quorum thresholds will apply at any meeting previously adjourned for want of quorum as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and in the Trust Deed.

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

Notes constituting the Controlling Class that are in the form of CM Removal and Replacement 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 any CM Removal Resolution or any CM Replacement Resolution. As a result, for so long as any of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes constitute the Controlling Class, only Notes that are in the form of CM Removal and Replacement Voting Notes may vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution.

Notes in the form of CM 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 CM Removal and Replacement Voting Notes will be entitled to vote to pass a CM Removal Resolution or a CM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of CM Removal and Replacement Non-Voting Notes) will be bound by such Resolution.

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

Investors in the Class A-1 Notes should be aware that for so long as the Class A-1 Notes have not been redeemed and paid in full, if no Class A-1 Notes are held in the form of CM Removal and Replacement Voting Notes, the Class A-1 Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes in accordance with the definition of Controlling Class.

Similarly, investors in the other Classes of Notes should be aware that if there are no Notes in their Class that would be entitled to vote and be counted in respect of a CM Removal Resolution or a CM Replacement Resolution, such Class of Notes will not be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution and such right shall pass to a more junior Class of Notes.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents to modify or amend the components of the Portfolio Profile Tests, the Eligibility Criteria, the Reinvestment Overcollateralisation Test, the Reinvestment Criteria or the Collateral Quality Tests and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14(c) (*Modification and Waiver*)) the Controlling Class has consented by way of Ordinary Resolution.

Certain entrenched rights relating to the Conditions including the currency thereof, Payment Dates applicable thereto, the Priorities of Payment, the provisions relating to quorums and the percentages of votes required for the passing of a Resolution cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders. 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 also be made and waivers granted in respect of certain other matters, subject to prior notice thereof being given to the Trustee but without the consent of the Trustee or the Noteholders 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 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.

2.22 Concentrated Ownership of One or More Classes of Notes

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

2.23 Enforcement Rights Following an Event of Default

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), at the request of the Controlling Class acting by way of Extraordinary Resolution, give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable, provided that following an Event of Default described in Condition 10(a)(vi) (*Insolvency Proceedings*) of the definition thereof, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, and shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), if so directed by the Controlling Class acting by Extraordinary Resolution, take Enforcement Action (as defined in the Conditions) in respect of the security over the Collateral provided that no such Enforcement Action may be taken by the Trustee unless: (A) it determines in accordance with Condition 11 (*Enforcement*) that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith), would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes other than the Subordinated Notes (including, without limitation, Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment; or otherwise (B) in the case of an Event of Default specified in sub-paragraphs (i), (ii) or (iv) of Condition 10(a) (*Events of Default*), the Controlling Class acting by way of Extraordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default.

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

2.24 Certain ERISA Considerations

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

2.25 Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule 144A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is a QIB/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 Noteholder**") or a Noteholder is a Non-Permitted ERISA Noteholder, the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder by the Issuer, send notice to such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder (as applicable) demanding that such Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder (as applicable) within 30 days (or 14 days in the case of a Non-Permitted ERISA Noteholder) of the date of such notice. If such Holder fails to effect the transfer required within such 30-day period (or 14-day period in the case of a Non-Permitted ERISA Noteholder), (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB and a QP and is not a Non-Permitted ERISA Noteholder; and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

In addition under FATCA, the Issuer may be required to, among other things, provide certain information about the Noteholders to a taxing authority (see 1.18 "*FATCA*" above). The Issuer intends to comply with FATCA and therefore 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 its obligations under FATCA, including Notes held by a Noteholder that is a non-Participating FFI or 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 its obligations under 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 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 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 beneficial owner of the Note by its acceptance of an interest in the Notes agrees to co-operate with the Issuer and any other party to effect such transfers. The terms and conditions of any such transfer shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out in this Prospectus and the Trust Deed, 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.

2.26 U.S. Tax Characterisation of the Notes

The Issuer has agreed and, by its acceptance of a Rated Note, each Noteholder (and any beneficial owners of any interest therein) 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. 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 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 Rated Notes. If any of the Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences might apply. See *"Tax Consideration – United States Federal Income Taxation.-.U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Rated Notes - Possible Treatment of Rated Notes as Equity for U.S. Federal Tax Purposes"*.

The Issuer has agreed and, by its acceptance of a Subordinated Note, each holder (and any beneficial owners of any interest therein) 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.

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 Collateral Manager), on the Eligibility Criteria (and Reinvestment Criteria, when applicable) which each Collateral Obligation is required to satisfy, as disclosed in this Prospectus, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Target Par Amount that the Portfolio is required to satisfy as at the Effective Date (other than in respect of the Interest Coverage Tests, which are required to be satisfied as at the Determination Date preceding the second Payment Date) and in each case (save as described herein) thereafter. This Prospectus does not contain any information regarding the individual Collateral Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Collateral Manager in acquiring investments for purchase on behalf of the Issuer over time. No assurance can be given that the Issuer will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

Neither the Issuer nor the Initial Purchaser has made any investigation into the Obligors of the Collateral Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Initial Purchaser, the Custodian, the Collateral Manager, any Collateral Manager Related Person, the Collateral Administrator, any Hedge Counterparty, the Corporate Services Provider or any of their Affiliates are under any obligation to maintain the value of the Collateral Obligations at any particular level. None of the Issuer, the Trustee, the Custodian, the Collateral Manager, any Collateral Manager Related Person, the Collateral Administrator, any Hedge Counterparty, the Initial Purchaser or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Obligations from time to time.

Furthermore, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to carry out due diligence as it considers reasonably necessary in accordance with the standard of care specified in the Collateral Management and Administration Agreement, to ensure the Eligibility Criteria will be satisfied and that the Issuer will, upon the settlement of such purchase, become the legal and beneficial holder of such Collateral Obligations in accordance with the terms of the relevant Underlying Instrument and all applicable laws. Noteholders are reliant on the Collateral Manager conducting such due diligence in a manner which ensures that the Collateral Obligations are properly and effectively transferred and satisfy each of the Eligibility Criteria.

3.2 Nature of Collateral; Defaults

The Collateral on which the Notes and the claims of the other Secured Parties are secured will be subject to credit, liquidity, interest rate and exchange rate risks. The Portfolio of Collateral Obligations which will secure the Notes will be predominantly comprised of Secured Senior Obligations (which may consist of Secured Loans and/or Secured Senior Bonds), Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds lent to or issued by a variety of Obligors with a

principal place of business in a Non-Emerging Market Country which are primarily rated below investment grade.

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

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

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

3.3 The Warehouse Arrangements

The Issuer has purchased or entered into an agreement to purchase a substantial portion of the Portfolio (such Collateral Obligations, the **"Warehoused Assets"**) on or prior to the Issue Date in accordance with the Warehouse Arrangements, pursuant to which an Affiliate of the Initial Purchaser (in such capacity, the **"Warehouse Provider"**) and an Affiliate of the Collateral Manager (the **"CELF Party"**) are involved. Prior to the Issue Date, the CELF Party entered into a total return swap (the **"Warehouse TRS"**) with the Warehouse Provider. The Issuer acquired the Warehoused Assets prior to the Issue Date with the proceeds of advances made by the Warehouse Provider under a variable funding note (the **"Warehouse VFN"**) made by the Issuer in favour of the Warehouse Provider. The Warehouse Provider made advances under the Warehouse VFN in order to hedge the exposure of the Warehouse Provider under the Warehouse TRS. The Warehouse TRS will be terminated on or before the Issue Date.

Pursuant to the Warehouse TRS, the CELF Party obtained synthetic exposure to a pool of reference assets selected for it (subject to the consent of the Warehouse Provider) by the Collateral Manager. Such reference assets are loans and debt securities and, upon their addition to the Warehouse TRS, were expected by the Collateral Manager to satisfy the definition of "Collateral Obligation" described herein. The CELF Party has posted a defined amount of cash collateral with the Warehouse Provider to secure its obligations under the Warehouse TRS. In addition, several Affiliates of the Collateral Manager jointly and severally guaranteed, up to a fixed amount, the obligations of the CELF Party under the Warehouse TRS.

Under the Warehouse TRS, the Warehouse Provider is obliged to pay to the CELF Party amounts equal to all interest income and certain other amounts actually paid on the assets referenced by the Warehouse TRS, in exchange for periodic financing payments from the CELF Party determined based on the outstanding notional amount of the reference portfolio. On the Issue Date, the Warehouse Provider will pay to the CELF Party an amount in respect of unpaid interest accrued to the Issue Date on the Warehoused Assets. Upon removal of a reference asset (whether due to early termination of the total return swap related to such reference asset or the repayment of such reference asset), the CELF Party is either entitled to receive a payment from the Warehouse Provider reflecting realised gains on such reference asset, or is required to make a payment to the Warehouse Provider reflecting realised losses on such reference asset, as applicable. On the Issue Date, (x) if the amounts owed to the CELF Party under the Warehouse TRS exceed the amounts owed to the Warehouse Provider thereunder, the CELF Party will receive the net amount of such payments and the cash collateral will be returned to the CELF Party or (y) if the amounts owed to the Warehouse Provider under the Warehouse TRS exceed the amounts owed to the CELF Party thereunder, the net amount of such payments will be deducted from the cash collateral and the remainder of the cash collateral will be returned to the CELF Party.

On the Issue Date, the Issuer will apply part of the proceeds of the issuance of the Notes to repay the Warehouse Provider under the Warehouse VFN. Pursuant to the terms of the Warehouse VFN, the prices at which the Issuer is deemed to have paid for the Warehoused Assets will be the prevailing prices at the time of their respective additions to the Warehouse TRS reference portfolio, which may be greater or less than the market value thereof on the Issue Date. Investors in the Notes will, therefore, be assuming the risk of market value and credit quality changes in the Collateral Obligations from the date such Collateral Obligations are added to the Warehouse TRS reference portfolio during the period prior to the Issue Date.

The Warehouse Provider was involved in the Warehouse TRS, however, its involvement in such arrangement, and its approval of the purchase of any Warehoused Assets, was solely in its capacity as Warehouse Provider and should not be viewed as a determination by the Initial Purchaser or the Warehouse Provider as to whether a particular asset is an appropriate investment by the Issuer or whether such asset satisfies the portfolio criteria applicable to the Issuer. The Warehouse Provider's determination to approve any asset under the Warehouse TRS was not based on any credit analysis undertaken by, or available to, it or the Initial Purchaser in relation to such asset, and neither the Warehouse Provider nor the Initial Purchaser will, or is required to, monitor the value of such asset or the creditworthiness of the obligor of any such asset. If the Warehouse Provider did not approve the purchase of any asset for the purposes of the Warehouse TRS, the Issuer may be restricted from purchasing that asset for a certain period, which may result in the Issuer paying a higher price for such asset and the Warehouse Provider's determination will, more generally, have resulted in a reduction in the pool of assets available for the Issuer (with the Collateral Manager acting on its behalf) to purchase prior to the Issue Date.

During the period of the Warehouse Arrangements, the Issuer may have purchased Warehoused Assets directly from the Initial Purchaser or any of its Affiliates and the price at which such Warehoused Assets were purchased by the Issuer may have resulted in the Initial Purchaser or its Affiliate, as the case may be, earning a profit from the sale of such asset. See the section entitled "*Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates*" below.

3.4 Acquisitions of Collateral Obligations and purchase price for such acquisitions

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

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the Collateral Obligations in which the Issuer invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued"

levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such risk.

3.5 Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager, acting on behalf of the Issuer, will seek to acquire additional Collateral Obligations in order to satisfy each of the Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date. See 3.1 (*"The Portfolio"*). The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Collateral Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. In addition, the ability of the Issuer to enter into Currency Hedge Transactions upon the acquisition of Non-Euro Obligations will depend upon a number of factors outside the control of the Collateral Manager, including its ability to identify a suitable Hedge Counterparty. To the extent it is not possible to purchase such additional Collateral Obligations, the level of income receivable by the Issuer on the Collateral, and therefore its ability to meet its interest payment obligations under the Notes, may be adversely affected. Such inability to invest may also shorten the weighted average lives of the Notes as it may lead to early redemption of the Notes. To the extent such additional Collateral Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations and/or enter into required Currency Hedge Transactions during such period could result in the non-confirmation or downgrade or withdrawal by any Rating Agency of its Initial Rating of any Class of Notes. Such non-confirmation, downgrade or withdrawal may result in the redemption of the Notes, shortening their weighted average life and reducing the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

Investors should note that, during the Initial Investment Period, the Collateral Manager may apply some or all amounts standing to the credit of the First Period Reserve Account to be applied for the purchase of additional Collateral Obligations. Such application may affect the amounts which would otherwise have been payable to Noteholders and, in particular, may reduce amounts available for distribution to the Subordinated Noteholders.

3.6 Underlying Portfolio

Characteristics of Senior Obligations and Mezzanine Obligations

The Portfolio Profile Tests provide that, as of the Effective Date, at least 90 per cent. of the Collateral Principal Amount must consist of Secured Senior Obligations (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date). Investors should note that Secured Senior Obligations may consist of Secured Senior Loans and/or Secured Senior Bonds but there is no restriction under the Portfolio Profile Tests on the proportion of Secured Senior Bonds and Secured Senior Loans constituting such Secured Senior Obligations, however, the Portfolio Profile Tests do provide that at least 60 per cent. of the Collateral Principal Amount must consist of Secured Senior Loans. Senior Obligations and Mezzanine Obligations are of a type generally incurred by the Obligor thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Secured Senior Obligations and Unsecured Senior Loans are typically at the most senior level of the capital structure with Second Lien Loans being subordinated thereto and Mezzanine

Obligations being subordinated to any Senior Obligations or to any other senior debt of the Obligor. Secured Senior Obligations are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Senior Obligations are typically in the form of loans, but may also in certain cases be in the form of a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Loans do not have the benefit of such security. Secured Senior Loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Secured Senior Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at paragraph 3.15 ("*Interest Rate Risk*") below. Additionally, Secured Senior Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical Senior Loan, would require unanimous lender consent. The Obligor under a Secured Senior Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Collateral Management and Administration Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Secured Senior Bond may be varied without the consent of the Issuer. See also 3.9 ("*Voting Restrictions on Syndicated Loans for Minority Holders*") in respect of the Issuer's interest in syndicated loan facilities.

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

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

Senior Obligations and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders 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 Obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Obligation or Mezzanine Obligation may share many similar features with other loans and obligations of its type, the actual terms of any Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees. In addition, Collateral Obligations in the form of floating rate notes are similar in nature to Cov-Lite Loans and typically do not provide for financial covenants and thus, may result in difficulties in triggering a default. See "*Investing in Cov-Lite Loans involves certain risks*".

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

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

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

Increased Risks for Mezzanine Obligations

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

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

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

Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Secured Senior Bonds may include obligor call or prepayment features, with or without a premium or make whole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Obligations with comparable interest rates in compliance with the Reinvestment Criteria may adversely

affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Obligations with comparable interest rates in compliance with the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Credit Risk

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

Defaults and Recoveries

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

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

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan or debt obligation is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity or an extension of its maturity, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. Junior creditors may find that a restructuring leads to the total eradication of their debt whilst the borrower continues to service more senior tranches of debt on improved terms for the senior lenders or investors. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in uncertainty with respect to the ultimate recovery on such Defaulted Obligation. Forum shopping for a favourable legal regime for a restructuring is not uncommon, English law schemes of arrangement having become a popular tool for European incorporated companies, even for borrowers with little connection to the UK. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal either to the minimum recovery rate assumed by the Rating Agencies in rating the

Notes or any recovery rate used in the analysis of the Notes by investors in determining whether to purchase the Notes.

In some European jurisdictions, obligors or lenders may seek a "scheme of arrangement". In such instance, a lender or other debt investor may be forced by a court to accept restructuring terms. Recoveries on both Senior Obligations and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligor thereunder. See 3.19 ("*Insolvency Considerations relating to Collateral Obligations*")_ below.

Investing in Cov-Lite Loans involves certain risks

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

Characteristics of High Yield Bonds

High Yield Bonds are generally unsecured, may be subordinated to other obligations of the applicable obligor and generally involve greater credit and liquidity risks than those associated with investment grade corporate obligations. They are often issued in connection with leveraged acquisitions or recapitalisations in which the obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated.

High Yield Bonds have historically experienced greater default rates than investment grade securities. Although several studies have been made of historical default rates in the U.S. high yield market, such studies do not necessarily provide a basis for drawing definitive conclusions with respect to default rates and, in any event, do not necessarily provide a basis for predicting future default rates in either the European or the U.S. high yield markets which may exceed the hypothetical default rates assumed by investors in determining whether to purchase the Notes or by the Rating Agencies in rating the Notes.

The lower rating of securities in the high yield sector reflects a greater possibility that adverse changes in the financial condition of an issuer thereof, or in general economic conditions (including a sustained period of rising interest rates or an economic downturn), or both, may affect the ability of such issuer to make payments of principal and interest on its debt. Many issuers of High Yield Bonds are highly leveraged, and specific developments affecting such issuers, including reduced cash flow from operations or inability to refinance debt at maturity, may also adversely affect such issuers' ability to meet their debt service obligations. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the High Yield Bonds in the Portfolio.

European High Yield Bonds are generally subordinated structurally, as opposed to contractually, to senior secured debtholders. Structural subordination is when a high yield security investor lends to a holding company whose primary asset is ownership of a cash-generating operating company or companies. The debt investment of the high yield investor is serviced by passing the revenues and tangible assets from the operating companies upstream through the holding company (which typically has no revenue-generating capacity of its own) to the security holders. In the absence of upstream guarantees from operating or asset owning companies in the group, such a process leaves the High Yield Bond investors deeply subordinated to secured and unsecured creditors of the operating companies and means that investors therein will not necessarily have access to the same security package as the senior lenders (even on a second priority charge basis) or be able to participate directly in insolvency proceedings or pre-insolvency discussions relating to the operating companies within the group. This facet of the European high yield market differs from the U.S. high yield market, where structural subordination is markedly less prevalent.

In the case of High Yield Bonds issued by issuers with their principal place of business in Europe, structural subordination of High Yield Bonds, coupled with the relatively shallow depth of the European high yield market, leads European high yield defaults to realise lower average recoveries than their U.S. counterparts. Another factor affecting recovery rates for European high yield bonds is the bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the high yield bond issuer. See 3.19 ("*Insolvency Considerations relating to Collateral Obligations*") below. It must be noted, however, that the overall probability of default (based on credit rating) remains similar for both U.S. and European credits; it is the severity of the effect of any default that differs between the two markets as a result of the aforementioned factors.

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

Investing in Second Lien Loans involves certain risks

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

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

Liens on the collateral (if any) securing a Collateral Obligation may arise at law that have priority over the Issuer's interest. An example of a lien arising under law is a tax or other government lien on property of an Obligor. A tax lien may have priority over the Issuer's lien on such collateral. To the extent a lien having priority over the Issuer's lien exists with respect to the collateral related to any Collateral Obligation, the Issuer's interest in the asset will be subordinate to such lien. If the creditor holding such lien exercises its remedies, it is possible that, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such Collateral Obligation.

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

3.7 Limited Control of Administration and Amendment of Collateral Obligations

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

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

3.8 Participations, Novations and Assignments

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

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

Participations by the Issuer in a Selling Institution's portion of the loan typically results in a contractual relationship only with such Selling Institution and not with the borrower under such loan. The Issuer would, in such case, only be entitled to receive payments of principal and interest to the extent that the Selling Institution has received such payments from the borrower. In purchasing Participations, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the applicable loan agreement and the Issuer may not directly benefit from the collateral supporting the loan in respect of which it has purchased a Participation. As a result, the Issuer will assume the credit risk of both the borrower and the Selling Institution selling the Participation. In the event of the insolvency of the Selling Institution selling a Participation, the Issuer may be treated as a general creditor of the Selling Institution and may not benefit from any set off between the Selling Institution and the borrower and the Issuer may suffer a loss to the extent that the borrower sets off claims against the Selling Institution. The Issuer may purchase a Participation from a Selling Institution that does not itself retain any economic interest 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 interest of the Issuer in connection with the exercise of its votes.

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

3.9 Voting Restrictions on Syndicated Loans for Minority Holders

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

3.10 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 (or the Collateral Manager on its behalf) will correctly evaluate the value of the assets securing a Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investment in such Corporate Rescue Loan. In any reorganisation or liquidation case relating to a company in which the Issuer invests, the Issuer may lose its entire investment, may be required to accept cash or securities with a value less than the Issuer's original investment and/or may be required to accept payment over an extended period of time.

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

Although a Corporate Rescue Loan may be unsecured, where the Obligor is subject to U.S. bankruptcy law, it has a priority permitted by Section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest (if any).

3.11 Bridge Loans

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

3.12 Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time or out of

a Collateral Manager Advance. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders. The aggregate amounts which may be credited to the Supplemental Reserve Account in accordance with the Priorities of Payment are subject to the following caps: (i) in aggregate on any particular Payment Date, such amount may not exceed €3,500,000 and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €10,500,000. During the Reinvestment Period, Reinvesting Noteholders may also direct that a Reinvestment Amount in respect of their Subordinated Notes be deposited into the Supplemental Reserve Account in accordance with the Priorities of Payment.

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

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

Collateral Enhancement Obligations and any income or return generated thereby are not taken into account for the purposes of determining satisfaction of, or required to satisfy, any of the Coverage Tests, Reinvestment Overcollateralisation Test, Portfolio Profile Tests or Collateral Quality Tests.

3.13 Counterparty Risk

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

In the event that a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the time period specified in the applicable Hedge Agreement, such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other strategy as results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. Failure to do so may result in interest rate or currency mismatches, which could adversely affect the ability to make payments on the Notes as the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to

cover its interest rate risk exposure or currency risk exposure in respect of Non-Euro Obligations for so long as the Issuer has not entered into a replacement Hedge Transaction (see 3.9 ("*Interest Rate Risk*") and 3.10 ("*Non-Euro Obligations and Currency Hedge Transactions - Currency Risk*" below). For further information, see "*Hedging Arrangements*" below.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts and all Collateral of the Issuer held by the Custodian. In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement on substantially the same terms as the Agency and Account Bank Agreement (and, if applicable, the Account Control Agreement) within 30 calendar days of such withdrawal or downgrade.

3.14 Concentration Risk

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

3.15 Interest Rate Risk

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

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof and subject to satisfaction of the Hedging Condition, discussed in paragraph 1.13 "*Commodity Pool Regulation*" above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and, if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure. Furthermore, the terms of the Hedge Agreements may provide for the ability of the Hedge Counterparty to terminate such Hedge Agreement upon the occurrence of certain events, including related to certain regulatory matters. Any such termination in the case of an Interest Rate Hedge Transaction would result in the Issuer's exposure to interest rate exposure increasing, and may result in the Issuer being required to pay a termination amount to the relevant Hedge Counterparty. See further "*Hedging Arrangements*" below.

Collateral Obligations may pay interest on a semi-annual basis. In addition, some Collateral Obligations permit the Obligor to reset the applicable interest period from quarterly to semi-annual (and vice versa). Interest Amounts are due and payable in respect of the Notes on a semi-annual basis.

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

3.16 Non-Euro Obligations and Currency Hedge Transactions

Currency Risk

The Portfolio Profile Tests provide that not more than 30 per cent. of the Collateral Principal Amount may comprise Non-Euro Obligations. Subject to the satisfaction of the Hedging Condition and the Portfolio Profile Tests, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations, provided that such Non-Euro Obligations otherwise satisfy the Eligibility Criteria. Although the Issuer shall, subject to the satisfaction of the Hedging Condition, enter into Currency Hedge Transactions to hedge any currency exposure relating to such Non-Euro Obligations, fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Notes. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

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

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

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

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

3.17 Reinvestment Risk/Uninvested Cash Balances

To the extent the Issuer (or the Collateral Manager on its behalf) maintains cash balances invested in short-term investments instead of higher yielding loans or bonds, portfolio income will be reduced which will result in reduced amounts available for payment on the Notes. In general, the larger the amount and the longer the time period during which cash balances remain uninvested the greater the adverse impact on portfolio income which will reduce amounts available for payment on the Notes,

especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

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

The timing of the initial investment of the net proceeds of issue of the Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to holders of, and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of 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 Obligations. The longer the period between reinvestment of cash in Collateral Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds were immediately reinvested. In addition, loans are often prepayable by the 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 Obligations usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Obligations which risk will first be borne by holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

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

3.18 Ratings on Collateral Obligations

The Collateral Quality Tests, the Portfolio Profile Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test are sensitive to variations in the ratings applicable to the underlying Collateral Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may

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

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

3.19 **Insolvency Considerations relating to Collateral Obligations**

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

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

3.20 **Lender Liability Considerations; Equitable Subordination**

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

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the under capitalisation of a

borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Collateral Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral Obligations issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to, any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

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

3.21 Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, Eligibility Criteria require that payments of interest on the Collateral 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. However, there can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Obligations might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to gross up to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between Ireland and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the borrower or (c) the fact that the Issuer has taken a Participation in such Collateral Obligations from a Selling Institution which is able to pay interest payable under such Participation gross if paid in the ordinary course of its business. In the event that the Issuer receives any interest payments on any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes and may also give rise to a "Collateral Tax Event" and an Optional Redemption subject to and in accordance with the Conditions. There can be no assurance that remaining payments on the Collateral 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.

The Issuer will be subject to UK corporation tax if and only if it is: (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment. The Issuer will not be treated as being tax resident in the UK provided that the central management and control of the Issuer is in Ireland. The Directors intend to conduct the affairs of the Issuer in such a manner so that it does not become resident in the UK for taxation purposes. The Issuer will be regarded as having a permanent establishment in the UK if it has a place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Collateral Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer. The Issuer should not be subject to UK corporation tax in consequence of the activities which the Collateral Manager carries out on its behalf provided that the Issuer's activities are regarded as investment activities rather than trading activities.

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Collateral Manager for the purposes of UK taxation, it will not be subject to UK corporation tax if the exemption in Article 5(6) of the UK-Ireland tax treaty applies. This exemption will apply if the Collateral Manager is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland tax treaty. It should be noted that the specific domestic UK 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 if the Collateral Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes (including as part

of its holding of the Retention 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 Collateral Manager be assessed to UK tax on behalf of the Issuer, it will be entitled to an indemnity from the Issuer (subject to any claim by the Issuer in respect of any related Collateral Manager Breach). 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. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Collateral Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities. The Issuer would also be liable to pay UK tax on its UK taxable profits in the unlikely event that it were treated as being tax resident in the UK. Imposition of such tax by the United Kingdom tax authorities may also give rise to a "Note Tax Event" and an Optional Redemption subject to and in accordance with the Conditions.

It is intended that the Issuer will not operate so as to be engaged in a trade or business in the United States for U.S. federal income tax purposes and, accordingly, will not be subject to U.S. federal income taxes on its net income. However, if the IRS were to successfully 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. 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. 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.

3.22 Collateral Manager

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

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

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will not be liable for any losses or damages resulting from any failure to satisfy its standard of care except for any losses or damages caused by a Collateral Manager Breach, as further described in the Collateral Management and Administration Agreement.

The Issuer is a newly formed entity and has no operating history or performance record of its own, other than in respect of the Warehouse Arrangements. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Collateral Manager. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager and such persons. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

The performance of other collateralised debt obligation vehicles ("**CLO Vehicles**") or other similar investment funds ("**Other Funds**") managed or advised by the Collateral Manager or Affiliates of the Collateral Manager should not be relied upon as an indication or prediction of the performance of the Issuer. Such other CLO Vehicles and Other Funds may have significantly different characteristics, including but not limited to their structures, composition of the collateral pool, investment objectives, leverage, financing costs, fees and expenses, management personnel and other terms when compared to the Issuer and may have been formed and managed under significantly different market conditions than those which apply to the Issuer and its Portfolio.

The Issuer will be highly dependent on the financial and managerial experience of certain individuals associated with the Collateral Manager in analysing, selecting and managing the Collateral Obligations. There can be no assurance that such key personnel currently associated with the Collateral Manager or any of its Affiliates will remain in such position throughout the life of the transaction. The loss of one or more of such individuals could have a material adverse effect on the performance of the Issuer.

In addition, the Collateral Manager may resign or be removed in certain circumstances as described herein under "*Description of the Collateral Management and Administration Agreement*".

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

3.23 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 Collateral Manager or the Issuer and no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral Manager and the Issuer. If the Initial Purchaser or its Affiliates owns Notes, they will have no responsibility to consider the interests of any other owner of Notes with respect to actions they take or refrain from taking in such capacity.

3.24 Acquisition and Disposition of Collateral Obligations

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

- (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including other amounts due in order to finance the acquisition of warehoused Collateral Obligations); and
- (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes,

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

The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period. The Collateral

Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management and Administration Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

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

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

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

3.26 Valuation Information; Limited Information

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

4. IRISH LAW

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

Centre of main interest

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

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 halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the 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 and the proposals are not unfairly prejudicial to any interested party.

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

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

- (a) the Trustee, acting on behalf of the Noteholders, would not be able to enforce rights against the Issuer during the period of examinership; and
- (b) a scheme of arrangement may be approved involving the writing down of the debt due by the Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

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

- (a) under the terms of the Trust Deed, the Rated Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Parties by security over a portfolio of Collateral Obligations and assignments of various of the Issuer's rights under the Transaction

Documents. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE, pay related social insurance, local property tax and VAT;

- (b) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and
- (c) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

5. CONFLICTS OF INTEREST

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

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

Various potential and actual conflicts of interest may exist from the overall investment activities of a Collateral Manager Related Person investing for their own accounts or for the accounts of others. The Collateral Manager or a Collateral Manager Related Person may invest in securities or obligations that would be appropriate as Collateral Obligations and may be buyers or sellers of credit protection that reference Collateral Obligations owned by the Issuer. The Collateral Manager and its Affiliates also currently serve as and expect to serve as collateral manager or investment advisor for, act as a general partner to, or invest in or are affiliated with other entities which invest in, underwrite or originate high yield bonds and loans, including those organised to issue collateral obligations similar to those issued by the Issuer. In providing services to other clients, the Collateral Manager and its Affiliates may effect or recommend activities that would compete with or otherwise adversely affect the Issuer.

The Collateral Manager and its Affiliates currently serve as the Collateral Manager for issuers of a number of collateralised debt obligations secured by collateral consisting primarily of non-investment grade secured bank loans and high yield debt. Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, the staff of the Collateral Manager may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's other accounts. The Collateral Manager may, in its sole discretion, aggregate orders for its accounts under management. Depending on market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client. There is no assurance that any collateralised debt obligation or other client with strategies or investment objectives similar to the Issuer will hold the same assets or perform in a similar manner.

The Collateral Manager and/or its Affiliates may from time to time form or have a financial or operational interest in the management of one or more hedge funds or similar alternative investment vehicles which may be permitted to allocate a portion of their portfolios to high yield debt, bank loans and long-dated, illiquid, restricted or other similar securities and investment opportunities (including, without limitation, private equity investments, mezzanine investments and distressed investments), and whose investment objectives may therefore overlap with those of the Issuer. Such hedge funds will be managed separately from the Issuer and the Collateral Manager has instituted policies and procedures designed to prevent the flow of material non-public information between the Collateral Manager and certain of its affiliates. It is possible, however, that such hedge funds may independently consider the same investment opportunities as the Issuer and thereby on any given occasion compete with the Issuer for the same investment opportunity.

The Collateral Manager may cause the Issuer to sell one or more Collateral Obligations, in one or more transactions, to Affiliates of the Collateral Manager and/or to other accounts or funds managed by the Collateral Manager or by Affiliates of the Collateral Manager. The Collateral Manager may also cause the Issuer to acquire from time to time Collateral Obligations selected by the Collateral Manager from one or more other issuers of collateralised debt obligations or similar entities for which the Collateral Manager serves as collateral manager. In addition, the Collateral Manager, acting as principal for its own account or for the account of an Affiliate, may effect other transactions between itself or an Affiliate and the Issuer. Such transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

In the course of managing the Collateral Obligations held by the Issuer, the Collateral Manager may consider its relationships with other clients (including companies whose securities are pledged to secure the Notes) and its Affiliates. The Collateral Manager may decline to make a particular investment for the Issuer in view of such relationships. The Collateral Manager or its Affiliates may make investment decisions for its clients and Affiliates that may be different from those made by such persons on behalf of the Issuer, even where the investment objectives are the same or similar to those of the Issuer. The Collateral Manager and its Affiliates may at certain times be simultaneously seeking to purchase or sell the same or similar investments for the Issuer and another client for which the Collateral Manager or any of them serves as investment adviser or collateral manager, or for themselves. Likewise, the Collateral Manager may on behalf of the Issuer make an investment in an issuer or obligor in which another account, client, the Collateral Manager or Collateral Manager Related Person is already invested or has co-invested. The Collateral Manager or a Collateral Manager Related Person may purchase Notes, creating potential conflicts of interest between the Collateral Manager and/or its Affiliates that holds Notes, on the one hand, and other investors in Notes, on the other hand. The Collateral Manager may, in its discretion, give priority over the Issuer in the allocation of investment opportunities to certain accounts or clients designated by the Collateral Manager in its discretion and to other accounts or clients of the Collateral Manager or its Affiliates to the extent obligated or permitted by the application of regulatory requirements, internal policies and client guidelines and/or principles of fiduciary duty. Neither the Collateral Manager nor any of its Affiliates has any obligation to obtain for the Issuer any particular investment opportunity, and the Collateral Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Collateral Manager or its Affiliates may have a prior contractual commitment with other accounts or clients or as to which the Collateral Manager or its Affiliates possesses material, non public information. There is no assurance that the Issuer will hold the same investments or perform in a substantially similar manner as other funds with similar strategies under the management of the Collateral Manager. There is also a possibility that the Issuer will invest in opportunities declined by the Collateral Manager or its Affiliates for the accounts of others or for their own accounts. In making investments on behalf of accounts or clients that the Collateral Manager or its Affiliates manage or advise either now or in the future, the Collateral Manager in its discretion may, but is not required to, aggregate orders for the Issuer with orders for such other accounts, notwithstanding that depending upon market conditions, aggregated orders can result in a higher or lower average price.

No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or any of its Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager, its Affiliates and the directors, officers, employees and agents of the Collateral Manager and its Affiliates may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell or terminate any Collateral Obligations or Eligible Investments to, or purchase or enter into any Collateral Obligations from, the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation. Services of this kind may lead to conflicts of interest with the Collateral Manager and the Issuer and

may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer.

The Collateral Manager or a Collateral Manager Related Person may also have ongoing relationships with the issuers of Collateral and they or their clients may own equity or other securities or obligations issued by issuers of Collateral. In addition, the Collateral Manager or a Collateral Manager Related Person either for its own accounts or for the accounts of others, may invest in securities or obligations that are senior to, junior to, or have interests different from or adverse to, the securities or obligations that are acquired on behalf of the Issuer.

The Collateral Manager will purchase the Retention Notes on the Issue Date and the Collateral Manager and/or Collateral Manager Related Persons may purchase other Notes on or after the Issue Date. Any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Non-Voting Notes. There will be no restriction on the ability of the Collateral Manager or a Collateral Manager Related Person, the Initial Purchaser, the Collateral Administrator, or any of their respective Affiliates or employees to purchase the Notes (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such Notes are entitled (except that Notes held by the Collateral Manager, certain of its Affiliates and their respective employees shall be disregarded with respect to voting rights under certain circumstances as described in the Trust Deed and the Collateral Management and Administration Agreement). The purchase of Notes by the Collateral Manager or Collateral Manager Related Persons may create potential and/or actual conflicts of interest between the Collateral Manager and/or its Affiliates and other investors in the Notes. Such purchases may be in the secondary market and may occur a significant amount of time after the Issue Date. Resulting conflicts of interest could include (a) divergent economic interests between the Collateral Manager and/or its Affiliates, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Notes by the Collateral Manager and/or Collateral Manager Related Persons, or a recommendation to vote by the same, to cause, among other things, an early redemption of the Notes and/or an amendment of the transaction documents relating to the Notes. The consent of the Collateral Manager is required for the Subordinated Noteholders to exercise their option to redeem the Subordinated Notes in part or in full pursuant to Condition 7(b) (*Optional Redemption*) and the withholding of such consent by the Collateral Manager is sufficient to prevent any such optional redemption by the Subordinated Noteholders despite them passing an Ordinary Resolution.

The Notes may also be purchased (either upon initial issuance or through secondary transfers) by investment funds or other accounts for which the Collateral Manager and/or its Affiliates serves as collateral manager or investment advisor and/or for which Affiliates of the Collateral Manager are the beneficial owner and there may be no limit on the exercise by such funds or accounts of any voting rights to which such Notes are entitled, and such voting rights may be exercised in a manner adverse to some or all of the other holders of Notes.

In addition, the Collateral Manager may pay certain affiliated initial investors in the Subordinated Notes, all of whom are expected to be investors identified by the Collateral Manager, a substantial portion of the Collateral Management Fees received by the Collateral Manager from the Issuer on each Payment Date. If utilised, this arrangement could provide incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations on behalf of the Issuer than would otherwise be the case.

Clients of the Collateral Manager or its Affiliates may act as a counterparty with respect to Hedge Transactions and Participations or as party to or in connection with the investment of any funds in Eligible Investments.

The Collateral Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with Obligors and may own equity or debt securities issued by Obligors. As a result, a Collateral Manager Related Person may possess information relating to issuers of Collateral Obligations which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. In addition, a Collateral Manager Related Person may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations. It is intended that all Collateral Obligations will be purchased and sold by the Issuer on terms prevailing

in the market. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they have become aware to the Issuer or to account to the Issuer (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction.

Furthermore, the Collateral 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 Collateral 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 Collateral Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to, or the Collateral Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Collateral Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral 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 Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management and Administration Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Collateral Manager's other accounts.

In addition, upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement and except as provided for under a Collateral Manager Tax Event), the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement, including receipt of Rating Agency Confirmation in respect thereof (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment). The successor collateral manager will be selected by the Issuer as proposed by the holders of the Subordinated Notes acting by Ordinary Resolution, provided that the holders of the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer. If the Controlling Class do object as described in the previous sentence, then the holders of the Controlling Class acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the holders of the Subordinated Notes acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the holders of the Subordinated Notes acting by Ordinary Resolution do object as described in the previous sentence, then the holders of the Subordinated Notes acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the Controlling Class do object as described in the previous sentence, then the Issuer shall appoint a successor collateral manager proposed by the holders of the Subordinated Notes, acting by Ordinary Resolution that (i) has not previously been objected to by the Controlling Class (ii) is not an Affiliate of any such holder voting in favour of such Ordinary Resolution and (iii) otherwise meets the criteria for a successor collateral manager under the Collateral Management and Administration Agreement. If no successor collateral manager has been appointed within 180 days or if the Collateral Manager is required to resign or is removed as a result of illegality or a Collateral Manager Tax Event, the Issuer (subject to the approval of the holders of the Subordinated Notes, acting by Ordinary Resolution) shall appoint a successor collateral manager which satisfies the criteria specified in the Collateral Management and Administration Agreement as soon as possible, subject to receipt of Rating Agency Confirmation (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment).

The Collateral Manager, acting on behalf of the Issuer, may effect transactions between the Issuer and other entities (including other CLO issuers) in respect of which the Collateral Manager acts as collateral manager. The Collateral Manager, on behalf of the Issuer, may conduct principal trades with itself and Collateral Manager Related Persons, subject to applicable law. The Collateral Manager may

also effect client cross transactions where the Collateral Manager causes a transaction to be effected between the Issuer and another account managed or advised by any Collateral Manager Related Persons. Client cross transactions enable the Collateral 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, 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. Accordingly, subject as provided above, the Collateral Manager may enter into agency cross transactions where any Collateral Manager Related Persons acts as broker for the Issuer and for the other party to the transaction, in which case any such Collateral Manager Related Persons will receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to the transaction.

In addition, the Collateral Manager and/or its Collateral Manager Related Persons may own equity or other securities of Obligors and may have provided investment advice, collateral management and other services to Obligors. From time to time, the Collateral Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Initial Purchaser or its Affiliates. In connection with the foregoing activities, the Collateral Manager may from time to time come into possession of material non-public information that limits its ability to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer. The Issuer may invest in the debt of companies Affiliated with any of the Initial Purchaser, the Collateral Manager or their respective Affiliates or companies in which the Initial Purchaser, the Collateral Manager or their respective Affiliates have an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Collateral Manager or its Affiliates' own investments in such companies. It is possible that one or more Affiliates of the Collateral Manager may also act as counterparty with respect to one or more Participations.

The Collateral Manager may from time to time consult with, receive input from and provide information to third parties (who may or may not be or become direct and indirect owners of the Notes) in respect of obligations being considered for acquisition by the Issuer. Some of those same third parties may have interests adverse to those of the Noteholders and may take a short position (for example, by buying protection under a credit default swap) relating to any such obligations or securities. This Prospectus does not contain any information regarding the individual Collateral Obligations that will comprise the Issuer's initial portfolio or that may secure the Notes from time to time.

There is no limitation or restriction on the Collateral Manager, or any of its respective Affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its Affiliates may give rise to additional conflicts of interest. See *"Description of the Collateral Manager"*.

The Collateral Manager's duties and obligations under the Collateral Management and Administration Agreement are owed solely to the Issuer (and, to the extent of the Issuer's security assignment of its rights under the Collateral Management and Administration Agreement, the Trustee). The Collateral Manager is not in contractual privity with, and owes no separate duties or obligations to, any of the holders of the Rated Notes or the Subordinated Notes.

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

Each of the Initial Purchaser and its Affiliates (the **"Citi Parties"**) will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below.

The Citi Parties have been involved (together with the Collateral Manager) in the formulation of the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, Reinvestment Overcollateralisation Test, Priorities of Payment and other criteria in and provisions of the Trust Deed and the Collateral Management and Administration Agreement. These may be influenced by discussions that the Initial Purchaser may have or have had with investors and there is no assurance that investors would agree

with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes. An Affiliate of the Initial Purchaser was also the Warehouse Provider under the Warehouse Arrangements. See further paragraph 3.3 "*The Warehouse Arrangements*" above.

The Initial Purchaser will purchase the Notes (other than the Retention Notes) from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Initial Purchaser in respect of those Notes. The Initial Purchaser 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 Initial Purchaser expects to earn fees and other revenues from these transactions.

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

From time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the Citi Parties (including a portion of the Collateral Obligations to be purchased on or prior to the Issue Date) and one or more Citi Parties may act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The Citi 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 Notes.

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

these transactions and activities based on the potential effect on an investor in the Notes. The price at which a Citi Party may be willing to purchase Notes, if it makes a market, will depend on market conditions and other relevant factors and may be significantly lower than the issue price for the Notes and significantly lower than the price at which it may be willing to sell the Notes.

6. INVESTMENT COMPANY ACT

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

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

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

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 "Non-Permitted Noteholder", the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such Non-Permitted Noteholder transfer its interest outside the United States to a non U.S. Person or to a person that is not a Non-Permitted Noteholder within 30 days of the date of such notice. If such Non-Permitted Noteholder fails to effect the transfer required within such 30 day period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

TERMS AND CONDITIONS

The following are the terms and conditions of each of the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E 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 in global certificated form, subject to the provisions of such Global Certificates, some of which will modify the effect of these terms and conditions. See "Form of the Notes - Amendments to Terms and Conditions". The Retention Notes will be issued in definitive certificated form in substantially the form set forth in the Trust Deed.

The issue of €234,600,000 Class A-1 Senior Secured Floating Rate Notes due 2027 (the "**Class A-1 Notes**"), €31,400,000 Class A-2A Senior Secured Floating Rate Notes due 2027 (the "**Class A-2A Notes**"), €11,600,000 Class A-2B Senior Secured Fixed Rate Notes due 2027 (the "**Class A-2B Notes**" and together with the Class A-2A Notes, the "**Class A-2 Notes**"), €26,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class B Notes**"), €21,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class C Notes**"), €27,300,000 Class D Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class D Notes**"), €11,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2027 (the "**Class E Notes**" and, together with the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Rated Notes**") and €39,100,000 Subordinated Notes due 2027 (the "**Subordinated Notes**" and, together with the Rated Notes, the "**Notes**") of Carlyle Global Market Strategies Euro CLO 2014-2 Limited (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated on or about 19 June 2014. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Notes including the U.S. Security Agreement the "**Trust Deed**") dated on or about 26 June 2014 between (amongst others) the Issuer and State Street Bank and Trust Company in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) for the Noteholders and security trustee for the Secured Parties.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency and account bank agreement dated on or about 26 June 2014 (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, State Street Bank and Trust Company as registrar (the "**Registrar**", which term shall include any successor or substitute registrars appointed pursuant to the terms of the Agency and Account Bank Agreement), State Street Bank and Trust Company as U.S. paying agent (the "**U.S. Paying Agent**", which term shall include any successor or substitute U.S. paying agents appointed pursuant to the terms of the Agency and Account Bank Agreement), State Street Bank and Trust Company as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent), State Street Bank and Trust Company as principal paying agent, account bank, calculation agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**" and "**Custodian**", which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency and Account Bank Agreement (and, to the extent applicable, the Account Control Agreement)) and the Trustee; (b) a collateral management and administration agreement dated on or about 26 June 2014 (the "**Collateral Management and Administration Agreement**") between the Issuer, the Trustee and CELF Advisors LLP, as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor collateral manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Custodian, State Street Bank and Trust Company as collateral administrator (the "**Collateral Administrator**" which term shall include any successor collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement) and an information agent appointed pursuant thereto (the "**Information Agent**" which term shall include any successor or substitute information agent appointed under the Collateral Management and Administration Agreement); (c) a corporate services agreement dated 30 April 2014 between the Issuer and TMF Administration Services Limited (the "**Corporate Services Provider**", which term shall include any successor or replacement corporate services provider of the Issuer appointed in accordance with the terms of the Trust Deed) (the "**Corporate Services Agreement**", which term shall include any subsequent corporate services agreement entered into between the Issuer and any such successor or replacement corporate services provider); and (d) a New York law governed account control agreement dated on or about 26 June 2014

in relation to the Accounts between the Issuer, the Account Bank, the Custodian, the Collateral Manager, the Collateral Administrator and the Trustee (the "**Account Control Agreement**"). Copies of the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement and the Corporate Services Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at 53 Merrion Square, Dublin 2, Ireland) and at the specified office of the Transfer Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

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

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

"Accrual Period" means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing, the Business Day upon which the Refinancing occurs) to, but excluding, the first Payment Date (or, in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date.

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

- (a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations and Deferring Securities); plus
- (b) unpaid accrued interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations); plus
- (c) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Account) (including Eligible Investments therein which represent Principal Proceeds); plus
- (d) in relation to a Deferring Security or a Defaulted Obligation the lesser of (i) its Moody's Collateral Value and (ii) its Fitch Collateral Value; provided that, in the case of a Defaulted Obligation, the value determined under this paragraph (d) of a Defaulted Obligation that has been a Defaulted Obligation for more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date shall be zero; plus
- (e) the aggregate, for each Discount Obligation, of the product of the (x) purchase price (expressed as a percentage of par and excluding accrued interest) and (y) Principal Balance of such Discount Obligation; minus
- (f) the Excess CCC/Caa Adjustment Amount;

provided that:

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

- (ii) in respect of each of (b), (c), (d), (e) and (f) above, any non-Euro amounts received will be converted into Euro (A) in the case of each Non-Euro Obligation which is subject to a Currency Hedge Agreement at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and (B) in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement at the applicable Spot Rate.

"Administrative Expenses" means amounts due and payable by the Issuer in the following order of priority (in each case together with any value added tax thereon, whether payable to the relevant tax authority or to the relevant party):

- (a) on a *pro rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency and Account Bank Agreement (and to the extent applicable, the Account Control Agreement), (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration Agreement; and (iii) the Corporate Services Provider pursuant to the Corporate Services Agreement;
- (b) on a *pro rata* basis to each Reporting Delegate pursuant to any Reporting Delegation Agreement;
- (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 Obligations, for fees and expenses (including surveillance fees) in connection with any such rating or confidential credit estimate including, in each case, the ongoing monitoring thereof and any other amounts due and payable to any Rating Agency under the terms of the Issuer's engagement with such Rating Agency;
 - (ii) to the independent certified public accountants, auditors, agents and counsel of the Issuer (other than amounts payable to the Agents pursuant to paragraph (a) above) and to the Directors of the Issuer in respect of directors' fees (if any);
 - (iii) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities provided for therein and all ordinary expenses, costs, fees, out-of-pocket expenses or brokerage fees incurred by the Collateral Manager), but excluding any Collateral Management Fees or any value added tax payable thereon and excluding any amounts in respect of Collateral Manager Advances;
 - (iv) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes) or any statutory indemnity;
 - (v) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;
 - (vi) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes which are not provided for elsewhere in this definition or in the Priorities of Payment, including, without limitation, amounts payable to any listing agent and an amount up to €25,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;
 - (vii) to the Initial Purchaser pursuant to the Subscription Agreement in respect of any indemnity payable to it thereunder;
 - (viii) to the payment on a *pro rata* basis of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Obligation, including but not limited to a steering committee relating thereto;

- (ix) on a *pro rata* basis to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);
- (x) to the Hedge Counterparty (if any) in relation to costs incurred in relation to the transaction of any collateral to or from the Counterparty Downgrade Collateral Account;
- (xi) to any person in connection with satisfying the requirements of Rule 17g-5 of the Exchange Act; and
- (xii) to the payment of any amounts necessary to ensure the orderly dissolution of the Issuer;
- (d) on a *pro rata* and *pari passu* basis:
 - (i) on a *pro rata* basis to any other Person (including the Collateral Manager) in connection with satisfying the requirements of EMIR, CRA3, AIFMD or the Dodd-Frank Act, in each case as applicable to the Issuer only;
 - (ii) on a *pro rata* basis to any Person (including the Collateral Manager) in connection with satisfying the Retention Requirements or requirements of Solvency II, in each case as applicable to the Issuer only, including any costs or fees related to additional due diligence or reporting requirements;
 - (iii) FATCA Compliance Costs; and
 - (iv) reasonable fees, costs and expense of the Issuer and Collateral Manager including reasonable attorneys' fees of compliance by the Issuer and the Collateral Manager with the United States Commodity Exchange Act of 1936, as amended (including rules and regulations promulgated thereunder);
- (e) any Refinancing Costs; and
- (f) except to the extent already provided for above, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that:

- (x) the Collateral Manager may direct the payment of any Rating Agency fees set out in (c)(i) above other than in the order required by paragraphs (a) to (f) above if the Collateral Manager or Issuer has been advised by a Rating Agency that non payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes; and
- (y) the Collateral Manager, in its reasonable judgement, determines a payment other than in the order required by paragraphs (a) to (f) above is required to ensure the delivery of certain accounting services and reports.

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

- (a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person; or
- (b) any other Person who is a director, officer 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; provided that, in relation to the Collateral Manager, Affiliates shall not include: (1) the Issuer, (2) any investment funds affiliated with the Collateral Manager and/or its affiliates and designees (together doing business as The Carlyle Group) that focus on leveraged buyout, real estate or venture capital transactions, (3) any hedge funds or solutions managed accounts or investment vehicles affiliated with The Carlyle Group, L.P., (4) the direct or indirect portfolio companies of the investment funds described in clause (2) above, or (5) any fund advised by Riverstone Holdings LLC or any of its affiliates.

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

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

"AIFMD" means the European Union Directive 2011/61/EU on Alternative Investment Fund Managers.

"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 any reference to the AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 included in any European Union directive or regulation subsequent to the AIFMD or the European Union Commission Delegated Regulation (EU) No 231/2013 of 18 December 2012 supplementing the AIFMD.

"Applicable Margin" has the meaning given thereto in Condition 6(e)(i)(3) (*Rate of Interest*).

"Arranger" means Citigroup Global Markets Limited.

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

"Authorised Denomination" means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to a multiple of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

"Authorised Integral Amount" means, for each Class of Notes, €1,000.

"Authorised Officer" means, with respect to the Issuer, any Director of the Issuer or other Person as notified by or on behalf of the Issuer to the Trustee who is authorised to act for the Issuer in matters relating to, and binding upon, the Issuer.

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

- (a) current balance of cash, demand deposits, time deposits, certificates of deposits, government guaranteed funds and other investment funds;
- (b) outstanding principal amount of interest bearing corporate and government obligations and money market accounts and repurchase obligations; and
- (c) purchase price, up to an amount not exceeding the face amount, of non interest bearing government and corporate obligations, commercial paper and certificates of deposit,

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Account shall be converted into Euro at the relevant Currency Hedge Transaction Exchange Rate, (ii) to the extent that no Currency Hedge Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate and (iii) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Moody's Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral 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.

"Bivariate Risk Table" means the table set forth in the Collateral Management and Administration Agreement.

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

- (a) on which TARGET2 is open for settlement of payments in Euro;
- (b) on which commercial banks and foreign exchange markets settle payments in London and New York (other than a Saturday or a Sunday); and
- (c) for the purposes of the definition of Presentation Date, in relation to any place, on which commercial banks and foreign exchange markets settle payments in that place.

"Caa Obligations" means all Collateral Obligations, excluding Defaulted Obligations with a Moody's Rating of "Caal" or lower.

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

- (a) the excess of the Aggregate Principal Balance of all CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the current Determination Date; and
- (b) the excess of the Aggregate Principal Balance of all Caa Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount as of the current Determination Date,

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

"CCC Obligations" means all Collateral Obligations, excluding Defaulted Obligations, with a Fitch Rating of "CCC+" or lower.

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

- (a) the Class A-1 Notes;
- (b) the Class A-2 Notes;
- (c) the Class B Notes;
- (d) the Class C Notes;

- (e) the Class D Notes;
- (f) the Class E Notes; and
- (g) the Subordinated Notes,

and **"Class of Noteholders"** and **"Class"** shall be construed accordingly. Notwithstanding that (a) the Class A-1 CM Removal and Replacement Voting Notes and the Class A-1 CM Removal and Replacement Non-Voting Notes are in the same Class, (b) the Class A-2 CM Removal and Replacement Voting Notes and the Class A-2 CM Removal and Replacement Non-Voting Notes are in the same Class, (c) the Class B CM Removal and Replacement Voting Notes and the Class B CM Removal and Replacement Non-Voting Notes are in the same Class, and (d) the Class C CM Removal and Replacement Voting Notes and the Class C CM 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 CM Removal Resolution or CM Replacement Resolution, as further described in the Conditions, the Trust Deed and the Collateral Management and Administration Agreement.

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

"Class A Interest Coverage Ratio" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes and the Class A-2 Notes. For the purposes of calculating the Class A Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes and the Class A-2 Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"Class A 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 Interest Coverage Ratio is at least equal to 120.00 per cent.

"Class A Par Value Ratio" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A-1 Notes and the Class A-2 Notes.

"Class A 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 Par Value Ratio is at least equal to 130.85 per cent.

"Class A-1 CM Removal and Replacement Non-Voting Notes" means the Class A-1 Notes in the form of CM Removal and Replacement Non-Voting Notes.

"Class A-1 CM Removal and Replacement Voting Notes" means the Class A-1 Notes in the form of CM Removal and Replacement Voting Notes.

"Class A-1 Noteholders" means the holders of any Class A-1 Notes from time to time.

"Class A-2 Noteholders" means the holders of any Class A-2 Notes from time to time.

"Class A-2 CM Removal and Replacement Non-Voting Notes" means any Class A-2A CM Removal and Replacement Non-Voting Notes, together with any Class A-2B CM Removal and Replacement Non-Voting Notes.

"Class A-2 CM Removal and Replacement Voting Notes" means any Class A-2A CM Removal and Replacement Voting Notes, together with any Class A-2B CM Removal and Replacement Voting Notes.

"Class A-2A CM Removal and Replacement Non-Voting Notes" means the Class A-2A Notes in the form of CM Removal and Replacement Non-Voting Notes.

"Class A-2A CM Removal and Replacement Voting Notes" means the Class A-2A Notes in the form of CM Removal and Replacement Voting Notes.

"Class A-2B CM Removal and Replacement Non-Voting Notes" means the Class A-2B Notes in the form of CM Removal and Replacement Non-Voting Notes.

"Class A-2B CM Removal and Replacement Voting Notes" means the Class A-2B Notes in the form of CM Removal and Replacement Voting Notes.

"Class B CM Removal and Replacement Non-Voting Notes" means the Class B Notes in the form of CM Removal and Replacement Non-Voting Notes.

"Class B CM Removal and Replacement Voting Notes" means the Class B Notes in the form of CM Removal and Replacement Voting Notes.

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

"Class B Interest Coverage Ratio" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes and the Class B Notes (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class B Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes, the Class A-2 Notes and the Class B Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"Class 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 B Interest Coverage Ratio is at least equal to 110.00 per cent.

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

"Class B Par Value Ratio" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A-1 Notes, Class A-2 Notes and Class B Notes.

"Class 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 B Par Value Ratio is at least equal to 121.29 per cent.

"Class C CM Removal and Replacement Non-Voting Notes" means the Class C Notes in the form of CM Removal and Replacement Non-Voting Notes.

"Class C CM Removal and Replacement Voting Notes" means the Class C Notes in the form of CM Removal and Replacement Voting Notes.

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

"Class C Interest Coverage Ratio" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class

A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

"Class C Interest Coverage Test" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class C Interest Coverage Ratio is at least equal to 105.00 per cent.

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

"Class C Par Value Ratio" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A-1 Notes, Class A-2 Notes, the Class B Notes and Class C Notes.

"Class C Par Value Test" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 114.46 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 and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class D Interest Coverage Ratio, the expected interest income on Collateral Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the Class A-1 Notes, the Class A-2 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 101.00 per cent.

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

"Class D Par Value Ratio" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"Class D Par Value Test" means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class D Par Value Ratio is at least equal to 106.11 per cent.

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

"Class E Par Value Ratio" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A-1 Notes, the Class A-2 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 expiry of the Reinvestment Period and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 103.72 per cent.

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

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

"CM Removal and Replacement Voting Notes" means Notes which carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of a CM Removal Resolution or a CM Replacement Resolution.

"CM Removal and Replacement Non-Voting Notes" means Notes which do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Removal and Replacement Voting Notes have a right to vote and be so counted.

"CM Removal Resolution" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management and Administration Agreement.

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

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

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

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

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

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

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

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

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

"Collateral Obligation" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which satisfies the Eligibility Criteria at the time that any commitment to purchase is entered into by or on behalf of the Issuer (or the Participation Agreement is entered into in respect of a Participation). References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Equity Securities. Obligations which are to constitute Collateral 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 Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if

such purchase had been completed. Each Collateral Obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test at any time as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria, at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Obligation unless it is an Issue Date Collateral Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Restructured Obligation if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

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

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

- (a) the Aggregate Principal Balance of all Collateral Obligations, provided however, for the purpose of calculating the Aggregate Principal Balance for the purposes only of (i) the Portfolio Profile Tests, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value, and (ii) the Collateral Quality Tests, the Principal Balance of each Defaulted Obligation shall be excluded;
- (b) for the purpose solely of calculating the Collateral Management Fees, (A) the aggregate amount of all accrued and unpaid interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations) and (B) obligations which are to constitute Collateral 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 Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed; and
- (c) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (only in respect of such amounts that are not designated as Interest Proceeds to be credited to the Interest Account), and including the principal amount of any Eligible Investments purchased with such Balance but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments.

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

- (a) so long as any Notes rated by Moody's are Outstanding:
 - (i) the Moody's Minimum Diversity Test;
 - (ii) the Moody's Maximum Weighted Average Rating Factor Test; and
 - (iii) the Moody's 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 Collateral Management and Administration Agreement.

"Collateral Tax Event" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), interest payments due from the Obligors of any Collateral Obligations (or from selling institutions in the case of Participations) in relation to any Due Period to the Issuer becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than where (i) such withholding tax is compensated for by a "gross up" provision in the terms of the Collateral Obligation so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding tax been imposed or (ii) such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise or (iii) such withholding tax arises on account of FATCA) so that the aggregate amount of such withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

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

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

"Controlling Class" means:

- (a) the Class A-1 Notes; or
- (b)
 - (i) following redemption and payment in full of the Class A-1 Notes; or
 - (ii) prior to the redemption and payment in full of the Class A-1 Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A-1 Notes is held in the form of CM Removal and Replacement Non-Voting Notes,
 the Class A-2 Notes; or
- (c)
 - (i) following redemption and payment in full of the Class A-1 Notes and the Class A-2 Notes; or
 - (ii) prior to the redemption and payment in full of the Class A-1 Notes and the Class A-2 Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A-1 Notes and the Class A-2 Notes is held in the form of CM Removal and Replacement Non-Voting Notes,
 the Class B Notes; or
- (d)
 - (i) following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes; or
 - (ii) prior to the redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes is held in the form of CM Removal and Replacement Non-Voting Notes,

the Class C Notes; or

- (e) (i) following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes; or
- (ii) prior to the redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes is held in the form of CM Removal and Replacement Non-Voting Notes,

the Class D Notes; or

- (f) following redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Class E Notes; or
- (g) following redemption and payment in full of all of the Rated Notes, the Subordinated Notes,

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

"Controlling Person" means any person (other than a Benefit Plan Investor) that has discretionary authority or control over the assets of the Issuer or who provides investment advice for a fee with respect to such assets, and any "affiliate" of any such person. An "affiliate" for purposes of this definition means a person controlling, controlled by or under common control with such person, and control means the power to exercise a controlling influence over the management or policies of such person (other than an individual).

"Corporate Rescue Loan" means any interest in a loan or financing facility that is acquired directly by way of assignment which is paying interest on a current basis and either:

- (a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a **"Debtor"**) organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's unencumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (zz) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or
- (b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) ranks *pari passu* in all respects with the other senior secured debt of the borrower, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the borrower otherwise than through

the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

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

"Coverage Test" means each of the Class A Par Value Test, the Class A Interest Coverage Test, the Class B Par Value Test, the Class 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 and the Class E Par Value Test.

"Cov-Lite Loan" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgement, that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any maintenance covenant (regardless of whether compliance with one or more incurrence covenants is otherwise required by such underlying instruments); provided, that if such a loan either contains a cross-default provision to, or is *pari passu* with, another loan of the underlying Obligor or a member of its borrowing group that requires compliance with one or more maintenance covenants it will be deemed not to be a Cov-Lite Loan.

"CRA3" means Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies (as the same may be amended from time to time).

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

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

- (a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such loan obligation or floating rate note has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Obligation to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index or Eligible Bond Index (as applicable) selected by the Collateral Manager over the same period;
- (b) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.0 per cent. more positive or at least 1.0 per cent. less negative than the percentage change in the Eligible Bond Index over the same period;

- (c) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.5 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) greater than 4.0 per cent.) due, in each case, to an improvement in the Obligor's financial ratios or financial results;
- (d) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports) of the Obligor of such Collateral Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;
- (e) the Obligor of such Collateral Obligation since the date on which such Collateral Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such Obligor;
- (f) if such Collateral Obligation is a loan or a bond, the proceeds which would be received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) of such loan or bond would be at least 101.0 per cent. of its purchase price; or
- (g) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been a decrease in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer.

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

- (a) if such Collateral Obligation is a loan obligation or floating rate note, the price of such Collateral Obligation has changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage which is (i) in the case of Secured Senior Obligations, either at least 0.25 per cent. more negative or at least 0.25 per cent. less positive and (ii) in the case of Unsecured Senior Loans, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of the Eligible Loan Index or Eligible Bond Index (as applicable) over the same period;
- (b) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been an increase in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer;
- (c) if such Collateral Obligation is a Fixed Rate Collateral Obligation which is a bond or security, the price of such Collateral Obligation has changed since the date of purchase by a percentage either at least 1.0 per cent. more negative or at least 1.0 per cent. less positive, as the case may be, than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;
- (d) if such Collateral Obligation is a loan obligation or floating rate note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a

spread (prior to such increase) less than or equal to 2.0 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.0 per cent. but less than or equal to 4.0 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.0 per cent.) due, in each case, to a deterioration in the Obligor's financial ratios or financial results; or

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

"Credit Risk Obligation" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has a risk of declining in credit quality or price or where the relevant underlying Obligor has failed to meet its other financial obligations; provided that at any time during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation, (ii) the Controlling Class by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Risk Obligation or (iii) such Collateral Obligation has been downgraded by any Rating Agency by at least one rating sub-category or has been placed and remains on a watch list for possible downgrade or on negative outlook by either Rating Agency since it was acquired by the Issuer.

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

"CRR Investment Firm" means an "investment firm" as defined in point (1) of Article 4(1) of Directive 2004/39/EC, which is subject to the requirements imposed by that Directive, excluding an investment firm which is not authorised to provide the ancillary service referred to in point (1) of Section B of Annex I to Directive 2004/39/EC which provides only one or more of the investment services and activities listed in points (1), (2), (4) and (5) of Section A of Annex I to that Directive and which is not permitted to hold money or securities belonging to its clients and which for that reason may not at any time place itself in debt with those clients.

"CRR Retention Requirements" means Articles 404-410 (inclusive) of the CRR (as amended from time to time), together with any guidance published in relation thereto by the EBA including any regulatory and/or implementing technical standards, provided that any reference to the CRR Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 404-410 included in any European Union directive or regulation.

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

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

"Currency Hedge Counterparty" means any financial institution with which the Issuer has (pursuant to, and in accordance with, the terms of the Collateral Management and Administration Agreement) entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement.

"Currency Hedge Issuer Termination Payment" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination or modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction.

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

"Currency Hedge Transaction Exchange Rate" means the rate of exchange set out in the relevant Currency Hedge Transaction.

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

- (a) the Obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash by maturity or as otherwise contractually due;
- (b) if the Obligor is subject to a bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder;
- (c) the Collateral Obligation has a Market Value of at least 80.0 per cent. of its current Principal Balance; and
- (d) if any Rated Notes are then rated by Moody's:
 - (i) the Collateral Obligation has a Moody's Rating of at least "Caa1" and a Market Value of at least 80.0 per cent. of its current Principal Balance; or
 - (ii) the Collateral Obligation has a Moody's Rating of "Caa2" and its Market Value is at least 85.0 per cent. of its current Principal Balance,

Market Value in each case being determined without taking into account sub-paragraph (e) of the definition of Market Value.

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

"Defaulted Currency Hedge Termination Payment" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of any Currency Hedge Transaction in respect of which the Currency Hedge Counterparty was (i) the "Defaulting Party" (as defined in the applicable Currency Hedge Agreement) or (ii) the sole "Affected Party" (as defined in the applicable Currency Hedge Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Currency 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 Currency Hedge Agreement; including any due and unpaid scheduled amounts thereunder.

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

"Defaulted Interest Rate Hedge Termination Payment" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of any Interest Rate Hedge Transaction in respect of which the Interest Rate Hedge Counterparty was (i) the "Defaulting Party" (as defined in the applicable Interest Rate Hedge Agreement) or (ii) the sole "Affected Party" (as defined in the applicable Interest Rate Hedge Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Interest Rate 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 Interest Rate Hedge Agreement; including any due and unpaid scheduled amounts thereunder.

"Defaulted Mezzanine Excess Amounts" means the lesser of:

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

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

- (a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto or waiver or forbearance thereof, provided that in the case of any Collateral Obligation in respect of which the Collateral Manager has confirmed to the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non credit-related causes, such Collateral Obligation shall not constitute a "Defaulted Obligation" for the greater of five Business Days or seven calendar days (but in no case beyond the passage of any grace period applicable thereto), in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;
- (b) in respect of which (i) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation, whether initiated under the Obligor's local law or otherwise and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed or (ii) the Issuer or others have instituted proceedings to have the Issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such Issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;
- (c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (and such default has not been cured), but only if both such other obligation and the Collateral Obligation are either (A) both full recourse and unsecured obligations or (B) the other obligation ranks at least *pari passu* with the Collateral Obligation in right of payment, without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (other than in the case of a default that, in the Collateral Manager's reasonable judgment, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto, and the holders of such obligation have accelerated the maturity of all or a portion of such obligation, provided that the Collateral Obligation shall constitute a Defaulted Obligation under this paragraph (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded;
- (d) which (i) has a Moody's Rating of "Ca" or "C"; or (ii) has a Fitch Rating of "CC" or lower (or, in either case, had such rating immediately prior to it being withdrawn by Moody's or Fitch, as applicable);
- (e) which is a Participation in a loan with respect to which the Selling Institution has (x) a Fitch Rating of "CC" or lower or had such rating immediately before such rating was withdrawn or (y) a Moody's Rating of "Ca" or "C" or below or had such rating immediately before such rating was withdrawn or (z) is a Participation in a loan with respect to which the participating institution has defaulted in any respect in the performance of any of its payment obligations under that Participation;

- (f) which is a Participation, the obligation which is the subject of such Participation would constitute a Defaulted Obligation, if the Issuer had a direct interest therein; or
- (g) which the Collateral Manager, acting on behalf of the Issuer, determines in its reasonable business judgment should be treated as a Defaulted Obligation,

provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (g) above if such Collateral Obligation (or, in the case of a Participation, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 5.0 per cent. of the Collateral Principal Amount will be treated as Defaulted Obligations and, provided further, that in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), (B) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (g) above if such Collateral Obligation (or, in the case of a Participation, the underlying obligation) is a Corporate Rescue Loan (provided that the aggregate principal balance of Corporate Rescue Loans exceeding 5.0 per cent. of the Collateral Principal Amount will be treated as Defaulted Obligations), and (C) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

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

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

"Deferred Senior Collateral Management Amounts" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"Deferred Subordinated Collateral Management Amounts" has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

"Deferring Security" means a Collateral Obligation (other than a Defaulted Obligation) that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon: (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year; and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

"Delayed Drawdown Collateral Obligation" means a Collateral Obligation denominated in Euro that: (a) requires the Issuer to make one or more future advances to the borrower under the Underlying Instruments relating thereto; (b) specifies a maximum amount that can be borrowed; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only 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, eight Business Days prior to the applicable Redemption Date.

"Directors" means Jacqueline O'Rourke and Kevin Butler or such other person(s) who may be appointed as Director(s) of the Issuer from time to time.

"Discount Obligation" means any Collateral Obligation that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

- (a) in the case of any Floating Rate Collateral Obligation, is acquired by the Issuer for a purchase price of less than 80.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 85.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation equals or exceeds 90.0 per cent.; or
- (b) in the case of any Fixed Rate Collateral Obligation, is acquired by the Issuer for a purchase price of less than 75.0 per cent. of the Principal Balance of such Collateral Obligation (or, if such obligation has a Moody's Rating below "B3", such obligation is acquired by the Issuer for a purchase price of less than 80.0 per cent. of its Principal Balance); provided that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value of such Collateral Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent.,

provided that where the Principal Balance of a Collateral Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Obligation will be applied *pro rata* to (1) the discounted portion of such Collateral Obligation and (2) the non-discounted portion of such Collateral Obligation; and provided further that if such interest is a Revolving Obligation or Delayed Drawdown Collateral Obligation, the purchase price of such Revolving Obligation or Delayed Drawdown Collateral Obligation for such purpose shall include an amount equal to the Unfunded Amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation which is required to be deposited in the Unfunded Revolver Reserve Account.

"Distribution" means any payment of principal or interest or any dividend or premium or other amount (including any proceeds of sale) or asset paid or delivered on or in respect of any Collateral Obligation, any Collateral Enhancement Obligation, any Eligible Investment or any Exchanged Equity Security, as applicable.

"Dodd-Frank Act" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on 21 July 2010.

"Domicile" or "Domiciled" means with respect to any Obligor with respect to a Collateral 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 Collateral Manager's reasonable judgment, a substantial portion of such Obligor's operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such Obligor).

"Due Period" means, with respect to any Payment Date, the period commencing on and including the day immediately following the eighth Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the eighth Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date which is the Redemption Date of any Note, ending on and including the Business Day preceding such Payment Date).

"EBA" means the European Banking Authority (formerly known as the Committee of European Banking Supervisors), or any predecessor, successor or replacement agency or authority.

"Effective Date" means the earlier of:

- (a) the date designated for such purpose by the Collateral Manager by written notice to the Trustee, the Issuer, the Rating Agencies, and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement, subject to the Effective Date Determination Requirements having been satisfied; and
- (b) 26 December 2014 (or if such day is not a Business Day, the next following Business Day).

"Effective Date Determination Requirements" means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Class E Par Value Test and the Interest Coverage Tests) being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral 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 Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its (i) Moody's Collateral Value and (ii) Fitch Collateral Value).

"Effective Date Moody's Condition" means a condition that will be satisfied if:

- (a) the Trustee is provided with an accountants' certificate recalculating and comparing each element of the Effective Date Report; and
- (b) Moody's is provided with the Effective Date Report.

"Effective Date Rating Event" means either:

- (a) (i) the Effective Date Determination Requirements not having been satisfied as at the Effective Date unless Rating Agency Confirmation is received in respect of such failure and (ii) either the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies, or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan following request therefor from the Collateral Manager; or
- (b) the Effective Date Moody's Condition not being satisfied and, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's not having been received,

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

"Effective Date Report" has the meaning given to it in the Collateral Management and Administration Agreement.

"Eligible Bond Index" means Markit iBoxx EUR High Yield Index or any other index proposed by the Collateral Manager and subject to receipt of Rating Agency Confirmation from Moody's.

"Eligibility Criteria" means the Eligibility Criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Collateral Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and, in the case of Issue Date Collateral Obligations, the Issue Date.

"Eligible Investments" means any investment denominated in Euro that is one or more of the following obligations or securities (other than obligations or securities which are zero coupon obligations or securities), including, without limitation, any Eligible Investments for which the Custodian, the Trustee, the Collateral Manager, a Collateral Manager Related Person or an Affiliate of any of them provides services:

- (a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Non-Emerging Market Country or any agency or instrumentality of a Non-Emerging Market Country, the obligations of which are fully and expressly guaranteed by a Non-Emerging Market Country which, in each case, have a rating of not less than the applicable Eligible Investment Minimum Rating;
- (b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Non-Emerging Market Country with, in each case, a maturity of no more than 180 days and subject to supervision and examination by governmental banking authorities so long

as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

- (c) subject to receipt of Rating Agency Confirmation related thereto, unleveraged repurchase obligations with respect to:
 - (i) any obligation described in paragraph (a) above; or
 - (ii) any other security issued or guaranteed by an agency or instrumentality of a Non-Emerging Market Country which has a rating of not less than the applicable Eligible Investment Minimum Rating,

in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investment Minimum Rating at the time of such investment;

- (d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of a Non-Emerging Market Country that has a credit rating of not less than the Eligible Investment Minimum Rating at the time of such investment or contractual commitment providing for such investment;
- (e) commercial paper or other short-term obligations having, at the time of such investment, a credit rating of not less than the applicable Eligible Investment Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 183 days from their date of issuance;
- (f) offshore funds investing in the money markets rated, at all times, "Aaa-mf" by Moody's and "AAAmmf" by Fitch, provided that any such fund issues shares, units or participations that may be lawfully acquired in Ireland; and
- (g) any other investment similar to those described in paragraphs (a) to (f) (inclusive) above:
 - (i) in respect of which Rating Agency Confirmation has been received as to its inclusion in the Portfolio as an Eligible Investment; and
 - (ii) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the applicable Eligible Investment Minimum Rating,

and, in each case, such instrument or investment provides for payment of a pre determined fixed amount of principal on maturity that is not subject to change and either (A) has a Collateral Obligation Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date, or, in respect of the Eligible Investments referred to in paragraph (d) above only, (B) is capable of being liquidated at par on demand without penalty; provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security purchased at a price in excess of 100 per cent. of par or security whose repayment is subject to substantial non credit related risk (as determined by the Collateral Manager in its discretion); provided further that only assets which are "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997 as amended of Ireland and which do not give rise to Irish stamp duty (except to the extent that such stamp duty is taken into account in deciding whether to acquire the assets) may constitute Eligible Investments.

"Eligible Investment Minimum Rating" means:

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

- (i) where such commercial paper or debt obligations do not have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, a long-term senior unsecured debt or issuer (as applicable) credit rating of "Aaa" from Moody's; or
 - (ii) where such commercial paper or debt obligations have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, such short-term rating is at least "P-1" from Moody's and the long-term senior unsecured debt or issuer (as applicable) credit rating is at least "A1" from Moody's; and
- (b) for so long any Notes rated by Fitch are Outstanding:
 - (i) in the case of Eligible Investments with a Collateral Obligation Stated 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; and/or
 - (B) a short-term senior unsecured debt or issuer credit rating of "F1+" from Fitch; or
 - (C) such other ratings as confirmed by Fitch;
 - (ii) in the case of Eligible Investments with a Collateral Obligation Stated 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; and/or
 - (B) a short-term senior unsecured debt or issuer credit rating of "F1" from Fitch; or
 - (C) such other ratings as confirmed by Fitch.

"Eligible Loan Index" means the S&P European Leveraged Loan Index, the Credit Suisse Western European Leveraged Loan Index, or any other index proposed by the Collateral Manager and subject to receipt of Rating Agency Confirmation from Moody's.

"EMIR" means Regulation (EU) 648/2012 of the European Parliament and of the European Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"Equity Security" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation; it being understood that Equity Securities do not include Collateral Enhancement Obligations and Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the issuer or obligor thereof.

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

"EURIBOR" means the rate determined in accordance with Condition 6(e) (*Interest on the Rated Notes*):

- (a) in the case of the initial Accrual Period, pursuant to a straight line interpolation of the rates applicable to six and nine month Euro deposits; and
- (b) at all other times, as applicable to six month Euro deposits.

"Euro", "Euros", "euro" and "€" means the lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty 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).

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

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

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

"Excess CCC/Caa Adjustment Amount" means, as of any date of determination, an amount equal to the excess, if any, of:

- (a) the Aggregate Principal Balance of all Collateral Obligations included in the CCC/Caa Excess; over
- (b) the aggregate for all Collateral Obligations included in the CCC/Caa Excess, of the product of (i) the Market Value of such Collateral Obligation and (ii) its Principal Balance, in each case of such Collateral Obligation.

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

"Exchanged Equity Security" means an equity security which is not a Collateral Enhancement Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral Obligation.

"Expense Reserve Account" means an interest bearing account in the name of the Issuer so entitled and held by the Account Bank.

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

"FATCA" means (a) Sections 1471 through 1474 of the Code or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the IRS, the US government or any governmental or taxation authority in any other jurisdiction.

"FATCA Compliance" means compliance with FATCA and any related provisions of law, court decisions, or administrative guidance, including the Issuer entering into and complying with an agreement with the Internal Revenue Service contemplated by Section 1471(b) of the Code or any comparable requirements under the intergovernmental agreement between Ireland and the United States and any implementing legislation thereunder, in each case as necessary so that no tax will be imposed or withheld under those sections in respect of payments to or for the benefit of Issuer.

"FATCA Compliance Costs" means aggregate cumulative costs of the Issuer in order to achieve FATCA Compliance including the fees and expenses of the Collateral Manager and any other agent or appointee appointed by or on behalf of the issuer in respect of the Issuer's FATCA Compliance.

"First Period Reserve Account" means the interest bearing account described as such in the name of the Issuer with the Account Bank.

"Fitch" means Fitch Ratings Limited or any successor or successors thereto.

"Fitch Collateral Value" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

- (a) its prevailing Market Value; and
- (b) the relevant Fitch Recovery Rate,

multiplied by its Principal Balance, provided that if the Market Value cannot be determined for any reason, the Fitch Collateral Value shall be determined in accordance with paragraph (b) above.

"Fitch Rating" has the meaning given to it in the Collateral Management and Administration Agreement.

"Fitch Recovery Rate" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Fitch.

"Fitch Tests Matrix" has the meaning given to it in the Collateral Management and Administration Agreement.

"Fixed Rate Collateral Obligation" means any Collateral Obligation that bears a fixed rate of interest.

"Floating Rate Collateral Obligation" means any Collateral Obligation that bears a floating rate of interest.

"Floating Rate Notes" means the Class A-1 Notes, the Class A-2A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"Form Approved Hedge" means either (i) an Interest Rate Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn and (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies) or (ii) a Currency Hedge Transaction the documentation for and structure of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"FTT" means a common financial transactions tax as contemplated by the EU Commission in a draft Directive published on 14 February 2013.

"Funded Amount" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation at any time, the aggregate principal amount of advances or other extensions of credit to the extent funded thereunder by the Issuer that are outstanding at such time.

"Hedge Agreement" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and **"Hedge Agreements"** means any of them.

"Hedge Counterparty" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and **"Hedge Counterparties"** means any of them.

"Hedge Counterparty Termination Payment" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction, but excluding any due and unpaid scheduled amounts payable thereunder.

"Hedge Issuer Tax Credit Payments" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"Hedge Issuer Termination Payment" means the amount payable by the Issuer to a Hedge Counterparty upon termination of a Hedge Transaction, but excluding any due and unpaid scheduled amounts payable thereunder.

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

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

"Hedge Termination Account" means, in respect of any Hedge Agreement, the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

"Hedge Transaction" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and **"Hedge Transactions"** means any of them.

"Hedging Condition" means, in respect of a Hedge Agreement or a Hedge Transaction, receipt by the Collateral Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements should not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the United States Commodity Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended.

"High Yield Bond" means a debt security which, on acquisition by the Issuer, is a high yielding debt security as determined by the Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security and which is not a Secured Senior Bond.

"Incentive Collateral Management Fee" means the fee payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, such Incentive Collateral Management Fee being payable from 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders, in accordance with paragraph (CC) of the Interest Priority of Payments, paragraph (T) of the Principal Priority of Payments and paragraph (V) of the Post-Acceleration Priority of Payments.

"Incentive Collateral Management Fee IRR Threshold" means the threshold which will have been reached on the relevant Payment Date if the Outstanding Subordinated Notes have received an annualised internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package and assuming for this purpose that all Subordinated Notes were purchased on the Issue Date at a price equal to the Subordinated Notes Initial Offer Price Percentage of the principal amount thereof) of at least 12 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"Information Agent" means State Street Bank and Trust Company.

"Initial Investment Period" means the period from, and including, the Issue Date to, but excluding, the Effective Date.

"Initial Purchaser" means Citigroup Global Markets Limited.

"Initial Ratings" means, in respect of any Class of Notes and any Rating Agency, the ratings (if any) assigned to such Class of Notes by such Rating Agency as at the Issue Date and **"Initial Rating"** means each such rating.

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

"Interest Amount" has the meaning specified in Condition 6(e)(ii) (*Determination of Rate of Interest and Calculation of Interest Amount*) in respect of the Floating Rate Notes and has the meaning specified in Condition 6(e)(iv) (*Calculation of Class A-2B Fixed Amounts*) in respect of the Class A-2B Notes.

"Interest Coverage Amount" means, on any particular Measurement Date (without double counting), the sum of:

- (a) the Balance standing to the credit of the Interest Account;
- (b) plus the scheduled interest payments (and any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations) due but not yet received (in each case, regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs, excluding:
 - (i) accrued and unpaid interest on Defaulted Obligations or Deferring Securities (excluding Current Pay Obligations) unless such amounts constitute Defaulted Obligation Excess Amounts;
 - (ii) interest on any Collateral Obligation to the extent that such Collateral Obligation does not provide for the scheduled payment of interest in cash;
 - (iii) any amounts, to the extent that such amounts, if not paid, will not give rise to a default under the relevant Collateral Obligation;
 - (iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;
 - (v) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made; and
 - (vi) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation (i) that is the subject of a Currency Hedge Transaction, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Currency Hedge Counterparty Payment, subject to the exclusions set out above and (ii) that is not the subject of a Currency Hedge Transaction, the amount taken into account for this paragraph (b) shall be an amount equal to the scheduled interest payments due but not yet received in respect of such Collateral Obligation (subject to the exclusions set out above), converted into Euro at the then prevailing Spot Rate;

- (c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Priority of Payments on the following Payment Date;
- (d) plus any amounts that would be payable from the Expense Reserve Account (only in respect of amounts that are not designated for transfer to the Principal Account), the First Period Reserve Account and/or the Currency 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);
- (e) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with (b) above; and
- (f) minus any interest in respect of a PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with (b)(ii) or (iii) above).

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Obligations and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"Interest Coverage Ratio" means the Class A Interest Coverage Ratio, the Class B Interest Coverage Ratio, the Class C Interest Coverage Ratio and the Class D Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral 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 Interest Coverage Test, the Class B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test.

"Interest Determination Date" means the second Business Day prior to the commencement of each Accrual Period. For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate pursuant to a straight line interpolation of the rates applicable to 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 Priority of Payments" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"Interest Proceeds" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*) and Condition 11(b) (*Enforcement*).

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

"Interest Rate Hedge Counterparty" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Rating Requirement upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date).

"Interest Rate Hedge Issuer Termination Payment" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination or modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"Interest Rate Hedge Transaction" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

"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 Stock Exchange" means The Irish Stock Exchange p.l.c.

"IRS" means the United States Internal Revenue Service or any successor thereto.

"Issue Date" means 26 June 2014 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

"Issue Date Collateral Obligation" means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date, including pursuant to the Warehouse Arrangements.

"Issuer Irish Account" means the account in the name of the Issuer established in Ireland for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer and any fees received by the Issuer in connection with the issue of the Notes.

"Issuer Profit Amount" means the payment on each Payment Date of €500, subject always to an aggregate maximum amount of €1,000 per annum, to the Issuer as a fee for entering into the transaction.

"Main Securities Market " means the regulated market of the Irish Stock Exchange.

"Mandatory Redemption" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"Market Value" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

- (a) the bid price of such Collateral Obligation determined by an independent recognised pricing service; or
- (b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Obligations; or
- (c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers in respect of such Collateral Obligation; or
- (d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Collateral Manager pursuant to (e) hereafter would be lower) of such Collateral Obligation; or
- (e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the fair market value thereof determined by the Collateral Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided however that:

- (i) 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 service and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Collateral Manager; and
- (ii) where the Market Value is determined by the Collateral Manager in accordance with paragraph (e) above, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

"Maturity Amendment" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend or have the effect of extending the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the

existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"Maturity Date" means the Payment Date falling in August 2027 or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day).

"Measurement Date" means:

- (a) the Effective Date;
- (b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;
- (c) the date of acquisition of any additional Collateral Obligation following the Effective Date;
- (d) each Determination Date;
- (e) the date as at which any Report is prepared; and
- (f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"Mezzanine Obligation" means an obligation (other than a Secured Senior Loan or a Second Lien Loan):

- (a) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation; and
- (b) which is a Subordinated Obligation,

including any such obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds and Senior Secured Bonds), as determined by the Collateral Manager in its reasonable business judgment, 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.

"Monthly Report" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement made available via a secured website currently located at mystatestreet.com which shall be accessible to the Issuer, the Arranger, the Initial Purchaser, the Trustee, each Hedge Counterparty, the Collateral Manager and the Rating Agencies and 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.

"Moody's" means Moody's Investors Service Ltd. and any successor or successors thereto.

"Moody's Collateral Value" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

- (a) its prevailing Market Value multiplied by its Principal Balance; and

(b) the relevant Moody's Recovery Rate, multiplied by its Principal Balance,

provided that if the Market Value cannot be reasonably determined, the Moody's Collateral Value shall be determined in accordance with paragraph (b) above.

"Moody's Rating" has the meaning given to it in the Collateral Management and Administration Agreement.

"Moody's Recovery Rate" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's.

"Moody's Test Matrix" has the meaning given to it in the Collateral Management and Administration Agreement.

"Non-Call Period" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in August 2016 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)).

"Non-Controlling Class" means a Class of Rated Notes which is not the Controlling Class.

"Non-Eligible Issue Date Collateral Obligation" has the meaning given thereto in the Collateral Management and Administration Agreement.

"Non-Emerging Market Country" means any of Austria, Belgium, Canada, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Republic of Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States and any other country, the foreign currency government bond rating of which is rated, at the time of acquisition of the relevant Collateral Obligation, at least "Baa3" by Moody's and the foreign currency country issuer rating of which is rated, at the time of acquisition of the relevant Collateral Obligation, at least "BBB-" by Fitch (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Collateral Obligation, Rating Agency Confirmation is received.

"Non-Euro Obligation" means any Collateral Obligation or part thereof, as applicable, denominated in a currency other than Euro.

"Non-Participating FFI" and **"non-Participating FFI"** means a "foreign financial institution" as defined under by FATCA that, unless exempted or deemed compliant, does not enter into an agreement with the U.S. Internal Revenue Service as described in section 1471(b)(1) of the Code.

"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-1 Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class A-1 Notes have been fully redeemed;
- (b) *secondly*, to the redemption of the Class A-2A Notes and the Class A-2B Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class A-2A Notes and the Class A-2B Notes have been fully redeemed;
- (c) *thirdly*, to the redemption of the Class B Notes including any Deferred Interest thereon (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;
- (d) *fourthly*, 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;

- (e) *fifthly*, 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; and
- (f) *sixthly*, 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,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"Note Tax Event" means, at any time:

- (a) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and/or the Subordinated Notes becoming properly subject to any withholding tax other than:
 - (i) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;
 - (ii) withholding tax in respect of FATCA; and
 - (iii) by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland, the United States or other applicable taxing authority; or
- (b) United Kingdom or U.S. state or federal tax authorities impose net income, profits or similar tax upon the Issuer.

"Noteholders" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and **"holder"** (in respect of the Notes) shall be construed accordingly.

"Obligor" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"Offer" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration (whether by way of amendment and restatement of the existing facility, novation or substitution), (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument or (c) any offer or consent request with respect to a Maturity Amendment.

"Optional Redemption" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"Other Plan Law" means any federal, state, local or non-U.S. law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"Outstanding" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

"Par Value Ratio" means the Class A Par Value Ratio, the Class B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio and the Class E Par Value Ratio (as applicable).

"Par Value Test" means the Class A Par Value Test, the Class B Par Value Test, Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test (as applicable).

"Participation" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"Participation Agreement" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"Paying Agent" means the Principal Paying Agent or the U.S. Paying Agent.

"Payment Account" means the account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"Payment Date" means 15 February and 15 August, and, in each year commencing on 17 February 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 report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer not later than 11.00 a.m. on the Business Day preceding the related Payment Date and made available via a secured website currently located at mystatestreet.com which shall be accessible to the Issuer, the Arranger, the Initial Purchaser, the Trustee, the Collateral Manager, each Hedge Counterparty and the Rating Agencies and 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.

"Permitted Use" has the meaning ascribed to it in Condition 3(j)(vi) (*Supplemental Reserve Account*).

"Person" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"PIK Security" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of capitalising interest thereon but excluding current cash interest, provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"Plan Asset Regulation" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"Portfolio" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"Portfolio Profile Tests" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"Post-Acceleration Priority of Payments" means the priority of payments set out in Condition 11 (*Enforcement*).

"Presentation Date" means a day which (subject to Condition 12 (*Prescription*)):

- (a) is a Business Day;
- (b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and
- (c) is a Business Day in the place in which the account specified by the payee is located.

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

"Principal Amount Outstanding" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class B Notes, Class C Notes, Class D Notes and Class E 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 Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), provided however that:

- (a) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Obligation as of any date of determination shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Obligation;
- (b) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation shall be deemed to be zero;
- (c) the Principal Balance of:
 - (i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate; and
 - (ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of such Non-Euro Obligation, converted into Euro at the Spot Rate; and
- (d) the Principal Balance of any cash shall be the amount of such cash.

"Principal Priority of Payments" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"Principal Proceeds" means all amounts payable out of, paid out of, payable into or paid into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received

as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

"Priorities of Payment" means:

- (a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) or (iii) following the delivery (whether actual or deemed) of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Priority of Payments and, in the case of Principal Proceeds, the Principal Priority of Payments; and
- (b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) or following the delivery (whether actual or deemed) of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

"Purchased Accrued Interest" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"QIB" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"QIB/QP" means a Person who is both a QIB and a QP.

"Qualified Purchaser" and **"QP"** mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"Qualifying Currency" means Sterling, U.S. Dollars, Norwegian Krone, Danish Krone, Swedish Krona, Swiss Francs, Australian Dollars, Canadian Dollars and Japanese Yen, or such other currency in respect of which Rating Agency Confirmation is received.

"Rate of Interest" has the meaning given thereto in Condition 6(e)(i) (*Rate of Interest*).

"Rated Notes" means the Class A-1 Notes, the Class A-2A Notes, the Class A-2B Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"Rating Agencies" means Fitch and Moody's, provided that if at any time Fitch and/or Moody's ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a **"Replacement Rating Agency"**) and **"Rating Agency"** means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to **"Rating Agencies"** shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"Rating Agency Confirmation" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has,

as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement in writing to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"Rating Confirmation Plan" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"Rating Event" means, at any time, the reduction or withdrawal of any of the ratings then assigned to the Rated Notes by a Rating Agency.

"Rating Requirement" means:

- (a) in the case of the Account Bank:
 - (i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and
 - (ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's;
- (b) in the case of the Custodian or any sub-custodian appointed thereby:
 - (i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and
 - (ii) a long-term senior unsecured issuer credit rating of at least "A2" by Moody's and a short-term senior unsecured issuer credit rating of at least "P-1" by Moody's;
- (c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement;
- (d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; and
- (e) in the case of the Principal Paying Agent:
 - (i) a long-term senior unsecured issuer credit rating of at least "Baa3" by Moody's; or
 - (ii) if the Principal Paying Agent has no long-term senior unsecured issuer credit rating by Moody's, a short-term senior unsecured issuer credit rating of at least "P-3" by Moody's,

or in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes and (y) if any of the requirements are not satisfied by

any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"Record Date" means the fifteenth day before the relevant due date for payment of principal and interest in respect of such 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 following Business Day or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"Redemption Determination Date" has the meaning given thereto in Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

"Redemption Notice" means a redemption notice in the form available from 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 (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payment; and
- (b) any Rated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and, in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, any Deferred Interest.

"Redemption Threshold Amount" means the aggregate of all amounts which would be due and payable by the Issuer on redemption of the Rated Notes on the scheduled Redemption Date (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to the Collateral Administrator by the relevant Secured Party and, for the avoidance of doubt, not taking into account for this purpose any reduction in the Issuer's payment obligations pursuant to the Conditions or any other Transaction Document as a result of any limited recourse provisions) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"Reference Banks" has the meaning given thereto in paragraph (2) of Condition 6(e)(i) (*Rate of Interest*).

"Refinancing" has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

"Refinancing Costs" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"Refinancing Proceeds" means the cash proceeds from a Refinancing.

"Register" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Notes" means the Notes offered for sale to non-U.S. Persons outside of the United States in reliance on Regulation S.

"Reinvesting Noteholder" means each Subordinated Noteholder that elects to make a Reinvestment Amount and whose Reinvestment Amount is accepted, in each case, in accordance with Condition 3(c)(iv) (*Reinvestment Amounts*).

"Reinvestment Amount" means:

- (a) all or the relevant portion of any Incentive Collateral Management Fee which the Collateral Manager designates as a Reinvestment Amount pursuant to paragraph (CC) of the Interest Priority of Payments or paragraph (T) of the Principal Priority of Payments;
- (b) a cash contribution or designation of Interest Proceeds or Principal Proceeds which a Subordinated Noteholder designates as a Reinvestment Amount pursuant to Condition 3(c)(iv) (*Reinvestment Amounts*); and
- (c) an additional issuance of Subordinated Notes pursuant to Condition 17(b) (*Additional Issuances*).

"Reinvestment Criteria" has the meaning given to it in the Collateral Management and Administration Agreement.

"Reinvestment Overcollateralisation Test" means the test which will apply as of any Measurement Date on and after the Effective Date during the Reinvestment Period only which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 103.72 per cent.

"Reinvestment Period" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in August 2018 (or, if such day is not a Business Day, then the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)); (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations in accordance with the Reinvestment Criteria.

"Reinvestment Target Par Balance" means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes and plus (ii) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

"Replacement Currency Hedge Agreement" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"Replacement Hedge Agreements" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and **"Replacement Hedge Agreement"** means any of them.

"Replacement Hedge Transaction" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"Replacement Interest Rate Hedge Agreement" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder,

subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"Report" means each Monthly Report and Payment Date Report.

"Reporting Delegate" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"Reporting Delegation Agreement" means an agreement for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"Resolution" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"Restricted Trading Period" means the period during which:

- (a) the Fitch rating of the Class A-1 Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A-1 Notes are Outstanding; or
- (b) the Moody's rating of the Class A-1 Notes is withdrawn (and not reinstated) or is one or more sub categories below its rating on the Issue Date, provided the Class A-1 Notes 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 Obligations (excluding the Collateral 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;
 - (B) each of the Coverage Tests is satisfied;
 - (C) each of the Collateral Quality Tests is satisfied; and
 - (D) 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 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 Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to be a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided that it satisfies the Restructured Obligation Criteria as at its Restructuring Date.

"Restructured Obligation Criteria" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"Restructuring Date" means the date a restructuring of a Collateral Obligation becomes binding on the holders thereof provided, if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

"Retention Holder" means CELF Advisors LLP in its capacity as initial Retention Holder and any successor, assign or transferee to the extent permitted under the Collateral Management and Administration Agreement and the Retention Requirements.

"Retention Notes" has the meaning given to that term in the Collateral Management and Administration Agreement.

"Retention Note Purchase Deed" means the purchase deed in respect of the Retention Notes between the Issuer and the Retention Holder dated on or about the Issue Date.

"Retention Requirements" means the CRR Retention Requirements and the AIFMD Retention Requirements.

"Revolving Obligation" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) denominated in Euro that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Notes" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"Rule 17g-5" means Rule 17g-5 under the Exchange Act.

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

"Sale Proceeds" means:

- (a) all proceeds received upon the sale of any Collateral Obligation (other than any Non-Euro Obligation with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts;
- (b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and
- (c) in the case of any Collateral Enhancement Obligation or Equity Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Equity Security,

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Collateral Obligation, Collateral Enhancement Obligation or Equity Security.

"Scheduled Periodic Currency Hedge Counterparty Payment" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"Scheduled Periodic Currency Hedge Issuer Payment" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"Scheduled Periodic Hedge Counterparty Payment" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"Scheduled Periodic Interest Rate Hedge Counterparty Payment" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Counterparty Termination Payment.

"Scheduled Periodic Interest Rate Hedge Issuer Payment" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"Scheduled Periodic Hedge Issuer Payment" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"Scheduled Principal Proceeds" means:

- (a) in the case of any Collateral Obligation (other than Non-Euro Obligations with a related Currency Hedge Transaction), scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);
- (b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, scheduled final and interim payments in the nature of principal payable to the Issuer by the applicable Currency Hedge Counterparty under the related Currency Hedge Transaction; and
- (c) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Account into the Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"Second Lien Loan" means a loan obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment.

"Secured Obligations" has the meaning given to it in the Trust Deed.

"Secured Party" means each of the Class A-1 Noteholders, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Subordinated Noteholders, the Reinvesting Noteholders (if any), the Initial Purchaser, the Collateral Manager, the Trustee, any Receiver or other appointee of the Trustee under the Trust Deed, the Agents, each Reporting Delegate, the Corporate Services Provider and each Hedge Counterparty and **"Secured Parties"** means any two or more of them as the context so requires.

"Secured Senior Bond" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

- (a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and
- (b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"Secured Senior Loan" means a Collateral Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

- (a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by at least 80 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and
- (b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"Secured Senior Obligation" means a Secured Senior Bond or a Secured Senior Loan.

"Secured Senior RCF Percentage" means, in relation to a Secured Senior Bond or a Secured Senior Loan, 15 per cent.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Selling Institution" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"Senior Expenses Cap" means, in respect of each Payment Date, the sum of:

- (a) €250,000 per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and
- (b) 0.025 per cent. per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the immediately preceding Payment Date or during the related Due Period is less than the stated Senior Expenses Cap, the excess may be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"Senior Management Fee" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated semi-annually and on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date as determined by the Collateral Administrator.

"Senior Obligation" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Loan or a Second Lien Loan.

"Similar Law" means any federal, state, local or non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law.

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

"Special Redemption" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"Special Redemption Amount" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"Special Redemption Date" has the meaning given to it in Condition 7(d) (*Special Redemption*).

"Spot Rate" means, with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange quoted by the Collateral Administrator on the date of calculation.

"Structured Finance Security" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"Subordinated Management Fee" means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement equal to 0.35 per cent. per annum (calculated semi-annually and on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount as at the first day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator.

"Subordinated Noteholders" means the holders of any Subordinated Notes from time to time.

"Subordinated Notes" have the meaning ascribed to them in the first paragraph of these Conditions.

"Subordinated Notes Initial Offer Price Percentage" means 100.00 per cent.

"Subordinated Obligation" means a debt obligation that by its terms and conditions is subordinated to all non-subordinated debt obligations of the relevant Obligor.

"Subscription Agreement" means the subscription agreement between the Issuer and the Initial Purchaser dated as of the Issue Date.

"Substitute Collateral Obligation" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"Supplemental Reserve Account" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"Supplemental Reserve Amount" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the Supplemental Reserve Account on such Payment Date in accordance with paragraph (BB) of the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed €3,500,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €10,500,000.

"Swapped Non-Discount Obligation" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (the **"Original Obligation"**) that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

- (a) is purchased or committed to be purchased within 20 Business Days of such sale;
- (b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Obligation; and
- (c) is purchased at a price not less than 65.0 per cent. of the Principal Balance thereof;

provided, however that:

- (i) to the extent the aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 5.0 per cent. of the Collateral Principal Amount, such excess will not constitute Swapped Non-Discount Obligations;
- (ii) to the extent the aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer after the Issue Date exceeds 10.0 per cent. of the Target Par Amount, such excess will not constitute Swapped Non-Discount Obligations;
- (iii) in the case of a Collateral Obligation that is an interest in a Floating Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds 90.0 per cent.; and
- (iv) in the case of any Collateral Obligation that is an interest in a Fixed Rate Collateral Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Obligation equals or exceeds 85.0 per cent.

"Target Par Amount" means €391,000,000.

"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).

"Transaction Documents" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Account Control Agreement, the Subscription Agreement, the Retention Note Purchase Deed, the Collateral Management and Administration Agreement, each Hedge Agreement, each Collateral Acquisition Agreement, the Participation Agreements, the Corporate Services Agreement, the Warehouse Termination Agreement, the U.S. Security Agreement and any document supplemental thereto or issued in connection therewith.

"Trustee Fees and Expenses" means the fees and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee (or any Receiver, agent, delegate or other appointee of the Trustee pursuant to the Trust Deed) pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable value added tax thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses

(including, without limitation, legal fees) properly incurred by the Trustee in respect of any Refinancing.

"UCITS Directive" means Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (as amended from time to time) including any implementing and/or delegated regulations, technical standards and guidance related thereto.

"Underlying Instrument" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"Unfunded Amount" means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"Unfunded Revolver Reserve Account" means the account of the Issuer established and maintained with the Account Bank pursuant to the Agency and Account Bank Agreement and the Account Control Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Obligations and Revolving Obligations.

"United States Person" has the meaning given to it in Section 7701(a)(30) of the Code.

"Unsaleable Assets" means (a)(i) a Defaulted Obligation, (ii) an Equity Security or (iii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Obligation or Eligible Investment identified in an officer's certificate of the Collateral Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, in the case of each of (a) and (b) with respect to which the Collateral Manager certifies to the Trustee that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

"Unscheduled Principal Proceeds" (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation with a related Currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation) and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds received in respect of any Collateral Obligation under the related Currency Hedge Transaction.

"Unsecured Senior Loan" means a Collateral Obligation that:

- (a) is a loan obligation senior to any Subordinated Obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and
- (b) is not secured (i) by fixed assets of the Obligor or guarantor thereof if and to the extent that the granting of security over such assets is permissible under applicable law or (ii) by at least 80 per cent. of the equity interests in the stock of an entity owning such fixed assets.

"Unused Proceeds Account" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"U.S. Person" means a U.S. Person as such term is defined under Regulation S.

"U.S. Security Agreement" means the New York law governed security agreement between the Issuer and the Trustee, dated on or about the Issue Date.

"Warehouse Arrangements" means the warehouse financing and related arrangements entered into by the Issuer prior to the Issue Date to, *inter alia*, finance the acquisition of Collateral Obligations prior to the Issue Date.

"Warehouse Termination Agreement" means the termination agreement dated on or about the Issue Date relating to the termination of the Warehouse Arrangements.

"Weighted Average Fixed Coupon" has the meaning given to it in the Collateral Management and Administration Agreement.

"Weighted Average Life Test" has the meaning given to it in the Collateral Management and Administration Agreement.

"Weighted Average Spread" has the meaning given to it in the Collateral Management and Administration Agreement.

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

2. **Form and Denomination, Title, Transfer and Exchange**

(a) *Form and Denomination*

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) *Title to the Registered Notes*

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency and Account Bank Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) *Transfer*

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 certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery*

of New Certificates), "Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) *Transfer Free of Charge*

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

(f) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) *Regulations Concerning Transfer and Registration*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (Notices)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) *Forced Transfer of Rule 144A Notes*

If the Issuer determines at any time that a holder of Rule 144A Notes is a U.S. Person and is not a QIB/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer shall promptly after determination that such person is a Non-Permitted Noteholder by the Issuer, send notice to such Non-Permitted Noteholder demanding that such holder transfer its Notes outside the United States to a non-U.S. Person or within the United States to a U.S. Person that is a QIB/QP within 30 days of the date of such notice. If such holder fails to effect the transfer of its Rule 144A Notes within such period, (a) the Issuer or the Collateral Manager on its behalf and at the expense of the Issuer shall cause such Rule 144A Notes to be transferred in a sale to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP 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 Noteholder 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 none of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or 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 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 the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Non-Permitted ERISA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) *Forced Transfer pursuant to FATCA*

If any Noteholder (which, for the purposes of this Condition 2(j) (*Forced Transfer pursuant to FATCA*) may include a nominee or beneficial owner of a Note) is determined by the Issuer to be a Noteholder who (i) is a non-Participating FFI or has failed to provide any information necessary in order to enable the Issuer to comply with its obligations under FATCA or (ii) otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Non-Permitted FATCA Noteholder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer 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 FATCA Noteholder will receive the balance, if any. For the avoidance of doubt, the Issuer shall have the right to 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.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*), the Issuer may repay any affected Notes and issue replacement Notes and the Issuer, the Trustee, the Agents and the Registrar shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, authorises the Trustee, the Agents, the Registrar and the Clearing Systems to take such action as may be necessary to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) without the need for further express instruction from any affected Noteholder. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes,

agrees that it shall be bound by any such action taken by the Issuer, the Trustee, the Agents, the Registrar and the Clearing Systems.

(l) *Registrar authorisation*

The Noteholders hereby authorise the Registrar and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

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

A Noteholder holding Notes in the form of CM Removal and Replacement Non-Voting Notes may request by the delivery to the Registrar or a Transfer Agent of a written request that such Notes be exchanged for Notes in the form of CM Removal and Replacement Voting Notes only:

- (i) in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder; or
- (ii) if the relevant Noteholder:
 - (A) is not the Collateral Manager or a Collateral Manager Related Person;
 - (B) provides to the Registrar or such Transfer Agent, at the expense of such Noteholder, an opinion issued by reputable legal counsel (which the Registrar or such Transfer Agent shall be entitled to accept without further enquiry) confirming that the investment by such Noteholder in such Notes in the form of CM Removal and Replacement Voting Notes held by such Noteholder will not cause such Notes to constitute "ownership interests" in the Issuer for the purposes of Section 619 of the Dodd-Frank Act; and
 - (C) surrenders, at the specified office of the Registrar or such Transfer Agent, the Definitive Certificate representing such Note(s) to be exchanged.

Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchanged for Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

3. **Status**

(a) *Status*

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non-Petition*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) *Relationship Among the Classes*

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A-1 Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class A-2 Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, but senior in right of payment to payments of interest in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes and

the Class A-2 Notes, but senior in right of payment to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes and the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest on the Rated Notes (other than the Class E Notes) and payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves. Interest on the Class A-2A Notes and the Class A-2B Notes shall be paid *pari passu* and without any preference amongst themselves.

No amount of principal in respect of the Class A-2 Notes shall become due and payable until redemption and payment in full of the Class A-1 Notes. No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A-1 Notes and the Class A-2 Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption in full of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes. Payments of principal on the Class A-2A Notes and the Class A-2B Notes will rank *pari passu* in right of payment. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payment and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payment are paid in full.

(c) *Priorities of Payment*

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); (ii) following acceleration of the Notes which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payment:

(i) *Application of Interest Proceeds*

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

- (A) to the payment of (i) firstly taxes owing by the Issuer accrued in respect of the related Due Period (other than any Irish corporate income tax payable in relation to the Issuer Profit Amount referred to in (ii) below) as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any, (save for

- any value added tax payable in respect of any Collateral Management Fee or any other amounts in respect of tax payable to any person or taxing authority in accordance with the following paragraphs (B) to (DD)); and (ii) secondly the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Irish Account from time to time;
- (B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period and the Balance of the Expense Reserve Account as at the date of transfer of any amounts from the Expense Reserve Account pursuant to paragraph (4) of Condition 3(j)(x) (*Expense Reserve Account*) (after taking into account all payments to be made out of the Expense Reserve Account on such date);
 - (C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period and the Balance of the Expense Reserve Account as at the date of transfer of any amounts from the Expense Reserve Account pursuant to paragraph (4) of Condition 3(j)(x) (*Expense Reserve Account*) (after taking into account all payments to be made out of the Expense Reserve Account on such date) less any amounts paid pursuant to paragraph (B) above;
 - (D) to the Expense Reserve Account, at the Collateral Manager's discretion, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;
 - (E) to the payment:
 - (1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) except that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager (and, if applicable, the relevant tax authority) under this paragraph (E) (any such amounts pursuant to (z) being **"Deferred Senior Collateral Management Amounts"**) on any Payment Date which amounts in each case shall not be treated as unpaid for the purposes of this paragraph (E), paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (F) through (W) and (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and
 - (2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts or Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);
 - (F) (1) *firstly* to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the Hedge Termination Account and other than Defaulted Currency Hedge

Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments); and

- (2) *secondly*, on a *pro rata* basis, any Hedge Replacement Payments (to the extent not paid out of the Hedge Termination Account);
- (G) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A-1 Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A-1 Notes;
- (H) to the payment on a *pro rata* and *pari passu* basis of the Interest Amounts due and payable on the Class A-2A Notes and the Class A-2B Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A-2A Notes and Class A-2B Notes;
- (I) if either of the Class A Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class A Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A Coverage Test to be satisfied if recalculated following such redemption;
- (J) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (K) if either of the Class B Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class B Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class B Coverage Test to be met if recalculated following such redemption;
- (L) to the payment on a *pro rata* basis of any Deferred Interest on the Class B Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (M) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (N) if either of the Class C Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be met if recalculated following such redemption;
- (O) 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*);
- (P) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

- (Q) if either of the Class D Coverage Tests is not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be met if recalculated following such redemption;
- (R) 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*);
- (S) to the payment on a *pro rata* basis of Interest Amounts due and payable on the Class E Notes in respect of the accrual period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (T) if the Class E Par Value Test is not satisfied on any Determination Date on and after the expiry of the Reinvestment Period, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause such Class E Par Value Test to be met if recalculated following such redemption;
- (U) 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*);
- (V) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, 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;
- (W) during the Reinvestment Period only, if after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50.0 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met, at the discretion of the Collateral Manager (acting on behalf of the Issuer):
 - (1) into the Principal Account for the acquisition of additional Collateral Obligations; or
 - (2) to pay the Rated Notes in accordance with the Note Payment Sequence;
- (X) to the payment:
 - (1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) until such amount has been paid in full except that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager (and, if applicable, the relevant taxing authority) under this paragraph (X) (any such amounts pursuant to (z) being "**Deferred Subordinated Collateral Management Amounts**") on any Payment

Date which amounts in each case shall not be treated as unpaid for the purposes of paragraph (E) above, this paragraph (X) or paragraph (CC) below, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

- (2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);
- (3) *thirdly*, at the election of the Collateral Manager (in its sole discretion) to the Collateral Manager (and, if applicable, the relevant taxing authority) in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts; and
- (4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;
- (Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;
- (Z) to the payment of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap, in relation to each item thereof in the order of priority stated in the definition thereof;
- (AA) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);
- (BB) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account any Supplemental Reserve Amount;
- (CC) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (DD) below and paragraph (U) of the Principal Priority of Payments and including for such purpose any such distributions designated as Reinvestment Amounts) (a) firstly, to the payment to the Collateral Manager of 20 per cent. of any remaining Interest Proceeds, in the payment of the Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (CC) on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (DD) below, subject to the Collateral

Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and (b) secondly to the payment of any value added tax in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

- (DD) any remaining Interest Proceeds to the payment of interest on the Subordinated Notes (other than, during the Reinvestment Period, any Reinvesting Noteholder that has directed that a Reinvestment Amount in respect of its Subordinated Notes be deposited on such Payment Date into the Supplemental Reserve Account and whose Reinvestment Amount is accepted subject to the provisions of Condition 3(c)(iv) (*Reinvestment Amounts*)) on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

- (A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (I) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;
- (B) to the payment of the amounts referred to in paragraph (J) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class B Notes are the Controlling Class;
- (C) to the payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class B Coverage Tests that are applicable on such Payment Date with respect to the Class B Notes to be met as of the related Determination Date;
- (D) to the payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class B Notes are the Controlling Class;
- (E) to the payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;
- (F) to the payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date;
- (G) to the payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;
- (H) to the payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;
- (I) to the payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only

- to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date to be met as of the related Determination Date;
- (J) to the payment of the amounts referred to in paragraph (R) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;
 - (K) to the payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;
 - (L) after the expiry of the Reinvestment Period, to the payment of the amounts referred to in paragraph (T) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class E Par Value Test that is applicable on such Payment Date to be met as of the related Determination Date;
 - (M) to the payment of the amounts referred to in paragraph (U) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E Notes are the Controlling Class;
 - (N) to the payment of the amounts referred to in paragraph (V) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;
 - (O) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;
 - (P)
 - (1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;
 - (2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations at the discretion of the Collateral Manager, either to the purchase of Substitute Collateral Obligations or to the Principal Account pending reinvestment in Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;
 - (Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;
 - (R) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (X) through (AA) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;
 - (S) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid pursuant to this paragraph (S) with respect to their respective Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;
 - (T) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (U) below and paragraph (DD) of the Interest Priority of Payments) (a) firstly, to the payment to the

Collateral Manager of 20 per cent. of any remaining Principal Proceeds in payment of the Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (T) on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase Substitute Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Obligations or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (U) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and (b) secondly, to the payment of any value added tax in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and

- (U) any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(iii) *Withholding Taxes*

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax, payment of the amount so deducted or withheld shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding has arisen.

(iv) *Reinvestment Amounts*

At any time during the Reinvestment Period, any holder of Subordinated Notes may notify the Issuer, the Trustee and the Collateral Manager that it proposes to (i) make a cash contribution to the Issuer, (ii) designate as a contribution to the Issuer all or a specified portion of Interest Proceeds and/or Principal Proceeds that would otherwise be distributed on a Payment Date to such holder pursuant to paragraph (DD) of the Interest Priority of Payments or paragraph (U) of the Principal Priority of Payments or (iii) subscribe for additional Subordinated Notes issued pursuant to Condition 17(b) (*Additional Issuances*), as applicable. Any such proposed Reinvestment Amount is subject to the condition that:

- (1) no more than a total of three Reinvestment Amounts may be effected in aggregate in respect of all Subordinated Notes;
- (2) each Reinvestment Amount is in an amount no less than Euro 1,000,000; and
- (3) the Class E Par Value Test is satisfied immediately following such proposed Reinvestment Amount being accepted by the Collateral Manager.

The Collateral Manager, in consultation with such holder (but in the Collateral Manager's sole discretion), will determine (A) whether to accept any proposed Reinvestment Amount and (B) the Permitted Use to which such proposed Reinvestment Amount would be applied. The Collateral Manager will provide written notice of such determination to the applicable Reinvesting Noteholder(s) thereof and such Reinvestment Amount will be accepted by the Issuer. If such Reinvestment Amount is accepted by the Collateral Manager, it will be deposited by the Issuer into the Supplemental Reserve Account and applied to a Permitted Use determined by the Collateral Manager. Amounts deposited pursuant to clause (ii) above will be deemed to constitute payment of the amounts designated thereunder for purposes of all distributions from the Payment Account to be made on such Payment Date. Any

amount so deposited shall not earn interest and shall not increase the principal balance of the Subordinated Notes held by such holder. Unless retained as directed by the applicable Reinvesting Noteholder, Reinvestment Amounts will be paid to any applicable Reinvesting Noteholder on the first subsequent Payment Date Principal Proceeds are available therefor as provided in paragraph (S) of the Principal Priority of Payments or that Interest Proceeds and Principal Proceeds are available therefor as provided in the Post-Acceleration Priority of Payments, as applicable. Any request of any Reinvesting Noteholder under clause (ii) above shall specify the percentage(s) of the amount(s) that such Reinvesting Noteholder is entitled to receive on the applicable Payment Date in respect of distributions pursuant to paragraphs (DD) of the Interest Priority of Payments or (U) of the Principal Priority of Payments, as applicable (such Reinvesting Noteholder's "**Distribution Amount**") that such Reinvesting Noteholder wishes the Issuer to deposit in the Supplemental Reserve Account. The Collateral Administrator or the Collateral Manager on behalf of the Issuer will provide each such Reinvesting Noteholder with an estimate of such Reinvesting Noteholder's Distribution Amount not later than two Business Days prior to any subsequent Payment Date.

(d) *Non payment of Amounts*

Failure on the part of the Issuer to pay the Interest Amounts on any Class of Notes (other than the Subordinated Notes) pursuant to Condition 6 (*Interest*) in accordance with the Priorities of Payment by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be an Event of Default unless and until (i) such failure continues for a period of at least five Business Days (or ten Business Days in the case of an administrative error or omission as described in Condition 10(a)(i) (*Non payment of interest*)) and (ii) in the case of non-payment of interest due and payable on (A) the Class B Notes, the Class A-1 Notes and the Class A-2 Notes have been redeemed in full, (B) the Class C Notes, the Class A-1 Notes, the Class A-2 Notes and the Class B Notes have been redeemed in full, (C) the Class D Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes have been redeemed in full and (D) the Class E Notes, the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full and save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Subject always, in the case of Interest Amounts payable in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes pursuant to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and value added tax payable in respect thereof) or Reinvestment Amounts to Reinvesting Noteholders, in the event of non payment of any amounts referred to in the Interest Priority of Payments or the Principal Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) *Determination and Payment of Amounts*

The Collateral Administrator will, in consultation with the Collateral Manager, on the Business Day immediately following each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account and the Supplemental Reserve Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments which are payable on such Payment Date to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) *De Minimis Amounts*

The Collateral Administrator on behalf of the Issuer may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E 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-1 Note, Class A-2 Note, Class B Note, Class C Note, Class D Note, Class E Note and the Subordinated Notes is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) *Publication of Amounts*

The Collateral Administrator will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day prior to the applicable Payment Date in the Payment Date Report.

(h) *Notifications to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) *Accounts*

The Issuer shall, on or prior to the Issue Date, establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Supplemental Reserve Account;
- the Expense Reserve Account;
- the Unfunded Revolver Reserve Account;
- the Currency Accounts;
- the Custody Account;
- the Collection Account;
- the First Period Reserve Account;
- the Counterparty Downgrade Collateral Account(s); and
- the Hedge Termination Account(s).

The Account Bank, the Custodian and the Principal Paying Agent shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in Ireland. If the Account Bank, the Custodian or the Principal Paying Agent at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement (and, if applicable, the Account Control Agreement).

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, the Counterparty Downgrade Collateral Account, the Collection Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

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

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may (other than in the case of any Counterparty Downgrade Collateral Accounts) convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*) or Condition 3(j) (*Payments to and from the Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Supplemental Reserve Account, (v) all interest accrued on the Accounts, (vi) the Counterparty Downgrade Collateral Account(s), (vii) the First Period Reserve Account and (viii) the Currency Account to the extent that the same represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment) shall be transferred to the 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 Expense Reserve Account, the Supplemental Reserve Account, the First Period Reserve Account and, to the extent not required to be repaid to any Hedge Counterparty, each Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

Application of amounts in respect of Hedge Issuer Tax Credit Payments received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement, without regard to the Priorities of Payment.

(j) *Payments to and from the Accounts*

(i) *Principal Account*

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

- (1) Scheduled Principal Proceeds;
- (2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;
- (3) Unscheduled Principal Proceeds; and
- (4) any other principal payments with respect to Collateral Obligations or Eligible Investments (to the extent not included in the Sale Proceeds);

but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account, (ii) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account, (iii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account and (iv) principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution (for the avoidance of doubt, such proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation, subject to the Restructured Obligation Criteria being satisfied);

- (B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Security;
- (C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;
- (D) all fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;
- (E) all Sale Proceeds received in respect of a Collateral Obligation;
- (F) all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;
- (G) all Collateral Enhancement Obligation Proceeds;
- (H) all Purchased Accrued Interest;
- (I) amounts transferred to the Principal Account from any other Account as required below;
- (J) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Obligations or required to be paid into the Supplemental Reserve Account;
- (K) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

- (L) all amounts transferable from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) below;
- (M) all amounts transferred from the Supplemental Reserve Account;
- (N) all amounts transferred from the Expense Reserve Account;
- (O) all principal payments received in respect of any Non-Eligible Issue Date Collateral Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;
- (P) all net proceeds of issuance of any Refinancing Obligations issued in accordance with Condition 7(b) (*Optional Redemption*);
- (Q) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(j)(ix) (*Currency Accounts*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Collateral Manager;
- (R) all amounts payable into the Principal Account pursuant to paragraph (W) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;
- (S) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(j) (*Payments to and from the Accounts*); and
- (T) any amount transferred from the First Period Reserve Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account, provided in each case that amounts deposited in the Principal Account pursuant to sub-paragraph (P) above shall only be applied in accordance with sub-paragraph (3) below unless, after such application on the relevant Payment Date, there is a surplus of such proceeds:

- (1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until after the following Payment Date or, if earlier, the date on which the Coverage Tests are satisfied and (ii) no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Priority of Payments on such Payment Date;
- (2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Obligations which are required to be deposited in the Unfunded Revolver Reserve Account and including any initial principal exchange amounts payable by the Issuer to a

Currency Hedge Counterparty pursuant to any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations; and

- (3) on any Payment Date on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to sub-paragraph (P) above in redemption of the relevant Class or Classes of Rated Notes, subject to and in accordance with the applicable paragraphs of Condition 7(b) (*Optional Redemption*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

- (A) all cash payments of interest in respect of the Collateral 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 (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);
- (B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (including interest on any Eligible Investments standing to the credit thereof) (other than in respect of any Counterparty Downgrade Collateral Account);
- (C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);
- (D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii)(1) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);
- (E) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest;
- (F) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;
- (G) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Obligations;

- (H) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;
- (I) all amounts transferred from the Supplemental Reserve Account;
- (J) all amounts transferred from the Expense Reserve Account;
- (K) any amounts payable to the Issuer under any Hedge Transaction in respect of interest save for Hedge Counterparty Termination Payments or Hedge Replacement Receipts;
- (L) all cash payments of interest in respect of any Non-Eligible Issue Date Collateral Obligations or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement; and
- (M) all amounts transferred from the First Period Reserve Account.

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

- (1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period and any amounts to be disbursed pursuant to (2) below on such Business Day or amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;
- (2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations to the extent that any such acquisition costs represent accrued interest; and
- (3) at any time any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

- (A) an amount transferred from the Collection Account equal to the net proceeds of issue of the Notes remaining after (1) the payment of certain fees and expenses due and payable by the Issuer on the Issue Date; (2) amounts payable into the Expense Reserve Account; (3) amounts payable into the First Period Reserve Account; and (4) amounts repaid pursuant to the Warehouse Arrangements; and
- (B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Obligations or paid into the Supplemental Reserve Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

- (1) on or about the Issue Date, such amounts equal to the aggregate of:
 - (a) the purchase price for certain Collateral Obligations on or prior to the Issue Date, including pursuant to the Warehouse Arrangements; and
 - (b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Obligations on or prior to the Issue Date;
- (2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;
- (3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and
- (4) on or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Rating Agencies have confirmed the Initial Ratings of the Rated Notes following delivery of the Effective Date Report (or in respect of Moody's, the Effective Date Moody's Condition is satisfied) and provided that such Rating Agency Confirmation shall only be required from Fitch to the extent that the Effective Date Determination Requirements have not been satisfied; and (ii) no more than 1.0 per cent. of the Target Par Amount may be transferred to the Interest Account.

(iv) *Payment Account*

The Issuer will procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payment. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) *Counterparty Downgrade Collateral Accounts*

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate account in respect of each Hedge Counterparty. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds, Interest Proceeds or of Collateral Enhancement Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of

the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer (other than in the circumstances set out below). The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

(A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

- (1) any "Return Amounts" (if applicable and as defined in such Hedge Agreement or the Credit Support Annex thereto);
- (2) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement or the Credit Support Annex thereto); and
- (3) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the Credit Support Annex thereto);

(B) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty or an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

- (1) first, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);
- (2) second, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and
- (3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(C) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early (A) other than in respect of an "Event of Default" (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty and other than in respect of an "Additional Termination Event" (as defined in such Hedge Agreement) in relation to which

the relevant Hedge Counterparty is the sole "Affected Party" (as defined in such Hedge Agreement) and where (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

- (1) first, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);
 - (2) second in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and
 - (3) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,
- (D) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:
- (1) first, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and
 - (2) second, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

(vi) *Supplemental Reserve Account*

The Issuer will procure that, on each Payment Date, any Supplemental Reserve Amount and each Reinvestment Amount, in each case, in respect of such Payment Date, shall be deposited into the Supplemental Reserve Account.

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

- (A) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payment;
- (B) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payment;
- (C) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement;
- (D) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(1) (*Purchase*);

- (E) on the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payment, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and
- (F) the Balance standing to the credit of the Supplemental Reserve Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Priority of Payments or the Post-Acceleration Priorities of Payment (as applicable) (1) at the direction of the Collateral Manager at any time prior to an Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*),

each of the foregoing being a "Permitted Use".

(vii) *The Unfunded Revolver Reserve Account*

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

- (A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Obligation) less amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to paragraph (2) or (3) below, as applicable;
- (B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Obligation or Delayed Drawdown Collateral Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer; and
- (C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

- (1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Obligation;
- (2) in respect of Delayed Drawdown Collateral Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer's name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);
- (3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the

amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount; and

- (4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account following conversion thereof into Euros to the extent necessary.

(viii) *Hedge Termination Account*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

- (A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable, due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or, to the extent not required to make such payment, in payment of such amount to the Principal Account;
- (B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and
- (C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:
 - (1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or
 - (2) termination of the Hedge Transaction under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or
 - (3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(ix) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds and including any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty in connection with funding the acquisition of Non-Euro Obligations pursuant to a Currency Hedge

Transaction, but excluding Hedge Replacement Receipts and Hedge Counterparty Termination Payments) to the extent not required to be paid directly to the Interest Account or Principal Account are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

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

- (A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments (other than where such Currency Hedge Issuer Termination Payments arise in connection with the termination of a Currency Hedge Transaction in circumstances where no Replacement Hedge Transaction is entered into by the Issuer which gives rise to a Hedge Replacement Receipt, including where a Currency Hedge Transaction has been terminated solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation), Hedge Replacement Payments, and any initial principal exchange amounts payable by the Issuer to a Currency Hedge Counterparty under any Currency Hedge Transaction in connection with funding the acquisition of Non-Euro Obligations which for the avoidance of doubt shall be payable out of amounts standing to the credit of the Principal Account;
- (B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or provision for the payment of any amounts to be paid to, any Currency Hedge Counterparty pursuant to paragraph (A) above shall be converted into Euro at the Spot Rate by the Collateral Administrator on behalf of the Issuer following consultation with the Collateral Manager and transferred to the Principal Account; and
- (C) at any time, in the amount of any initial principal exchange amounts received by the Issuer from a Currency Hedge Counterparty under a Currency Hedge Transaction to be applied in connection with the acquisition of Non-Euro Obligations in accordance with the terms of and to the extent permitted under the Collateral Management and Administration Agreement.

(x) *Expense Reserve Account*

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

- (A) on the Issue Date, an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below; and
- (B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

- (1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;
- (2) amounts standing to the credit of the Expense Reserve Account may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf);
- (3) at any time, the amount of any Trustee Fees and Expenses and Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant

creditor, provided that any such payments, in aggregate and together with any other payments out of the Expense Reserve Account on the relevant date, shall not cause the balance of the Expense Reserve Account to fall below zero; and

- (4) on the second Business Day prior to each Payment Date, any amounts to be paid pursuant to paragraphs (B) and (C) of the Interest Priority of Payments in excess of the Senior Expenses Cap to the Interest Account, provided that any such payments, in aggregate and together with any other payments to be made out of the Expense Reserve Account on such date, shall not cause the balance of the Expense Reserve Account to fall below zero.

(xi) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

- (A) on the Issue Date, the net proceeds of issue of the Notes; and
- (B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)).

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

- (1) on or about the Issue Date:
 - (a) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents and the termination of the Warehouse Arrangements;
 - (b) amounts payable into the Expenses Reserve Account;
 - (c) to repay the relevant lender under the Warehouse Arrangements in respect of the funding provided by it to finance the purchase of Collateral Obligations prior to the Issue Date;
 - (d) to pay all other amounts due under the Warehouse Arrangements;
 - (e) amounts payable into the First Period Reserve Account; and
 - (f) any remaining amounts to the Unused Proceeds Account; and
- (2) subject to the prior payment of all amounts in Condition 3(j)(xi)(B)(1) (*Collection Account*) above, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) and the other provisions of this Condition 3(j) (*Payments to and from the Accounts*) on a daily basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

(xii) *First Period Reserve Account*

The Issuer shall direct the Account Bank to deposit €2,030,000 in the First Period Reserve Account on the Issue Date.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the First Reserve Account to be used for (A) the acquisition of Collateral Obligations or (B) to the Principal Account pending such acquisition, subject to and in accordance with the Collateral Management and Administration Agreement. Following the Initial Investment Period, all of the funds in

the First Period Reserve Account (save for amounts transferred to the Principal Account) (including all interest accrued thereon) shall be transferred to the Interest Account for distribution pursuant to the Interest Priority of Payments.

(k) *Collateral Manager Advances*

To the extent that there are insufficient sums standing to the credit of the Supplemental Reserve Account from time to time to purchase or exercise rights under Collateral Enhancement Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion, pay amounts required in order to fund such purchase or exercise (such amount, a "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management and Administration Agreement. Each Collateral Manager Advance may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR plus 4.0 per cent. per annum. All such Collateral Manager Advances shall be repaid out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payment. The aggregate amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €7,500,000 or such greater number as the Subordinated Noteholders may approve, acting by way of an Ordinary Resolution.

4. **Security**

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement, the Retention Note Purchase Deed and the Subscription Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

- (i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Corporate Rescue Loans, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Account) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry into an agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;
- (ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Corporate Rescue Loans, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Account) and any other investments (other than the Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above and which are capable of being the subject of a first fixed charge and first priority security interest), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;
- (iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Account) and all moneys from time to time standing to the credit of such Accounts and the debts

represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

- (iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the Counterparty Downgrade Collateral Account, including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of the Counterparty Downgrade Collateral Account and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement, Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) and any prior ranking security interest granted by the Issuer to any Hedge Counterparty;
- (v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement and the Account Control Agreement (to the extent each relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;
- (vi) an assignment by way of security of all the Issuer's present and future rights under each Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate 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);
- (vii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);
- (viii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement, the Account Control Agreement, the Subscription Agreement, the Retention Note Purchase Deed, each Collateral Acquisition Agreement, each other Transaction Document and each Reporting Delegation Agreement, and, in each case, all sums derived therefrom; and
- (ix) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (ix) above, (A) the Issuer's rights under the Corporate Services Agreement; and (B) amounts standing to the credit of the Issuer Irish Account.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade*

Collateral Accounts). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charges over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Irish or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management and Administration Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

- (1) by way of a first priority security interest to a Hedge Counterparty over a Counterparty Downgrade Collateral Account and any Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer and the Trustee); and/or
- (2) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation).

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement is appointed on substantially the same terms of the Agency and Account Bank Agreement (and, if applicable, the Account Control Agreement).

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and

interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

Pursuant to the U.S. Security Agreement, the Issuer has also created in favour of the Trustee on behalf of the Secured Parties, a security interest under New York law over the Collateral Obligations held by the Custodian for the Issuer from time to time and the Accounts (other than the Counterparty Downgrade Collateral Account).

(b) *Application of Proceeds upon Enforcement*

The Trust Deed provides that the net proceeds of realisation of or enforcement with respect to the security over the Collateral constituted by the Trust Deed shall be applied in accordance with the priorities of payment set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse and Non-Petition*

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties and in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets (including the Issuer Irish Account and its rights under the Corporate Services Agreement) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class A-1 Noteholders, the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Reinvesting Noteholders (if any), the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee, the other Secured Parties (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreements entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Directors, the Initial Purchaser, the Collateral Manager, the Corporate Services Provider and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) *Acquisition and Sale of Portfolio*

Prior to the Issue Date, the Issuer acquired certain Collateral Obligations pursuant to the Warehouse Arrangements. The Collateral Manager is required to manage the Portfolio and to

act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in, the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager, subject to the standard of care in, and the other provisions of, the Collateral Management and Administration Agreement with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

- (i) purchase Collateral Obligations on or prior to the Issue Date and during the Initial Investment Period;
- (ii) invest the amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Account, the Unfunded Revolver Reserve Account, the Collection Account and the Payment Account) in Eligible Investments; and
- (iii) sell certain of the Collateral Obligations and reinvest the Principal Proceeds received in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Equity Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except as provided in the Collateral Management and Administration Agreement. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, any other Agent or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, the Issuer, the Controlling Class (provided such Notes are not in the form of CM Removal and Replacement Non-Voting Notes) and the Subordinated Noteholders have certain rights in respect of the removal of the Collateral Manager and appointment of a replacement Collateral Manager.

(e) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available, within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor and that copies of each such Report are made available to the Trustee, the Collateral Manager and each Rating Agency within two Business Days of publication thereof.

5. Covenants of and Restrictions on the Issuer

(a) *Covenants of the Issuer*

Unless otherwise provided in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

- (i) take such steps as are reasonable to enforce all its rights:
 - (A) under the Trust Deed;

- (B) in respect of the Collateral;
- (C) under the Agency and Account Bank Agreement;
- (D) under the Account Control Agreement;
- (E) under the Collateral Management and Administration Agreement;
- (F) under the Corporate Services Agreement;
- (G) under each Collateral Acquisition Agreement;
- (H) under any Hedge Agreement; and
- (I) under the U.S. Security Agreement (if applicable);
- (ii) comply with its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;
- (iii) keep proper books of account;
- (iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement) or place of business (save for the activities conducted by the Collateral Manager on its behalf) or register as a company in the United Kingdom or the United States and shall not do or permit anything within its control which might result in its residence being considered to be outside Ireland for tax purposes;
- (v) maintain its central management and control and its place of effective management only in Ireland and in particular shall not be treated under any of the double taxation treaties entered into by Ireland as being resident in any other jurisdiction;
- (vi) conduct its business and affairs such that, at all times:
 - (A) it shall maintain its registered office in Ireland;
 - (B) it shall hold all meetings of its board of directors in Ireland and ensure that all of its directors are resident in Ireland for tax purposes, that they will exercise their control over the business of the Issuer independently and that those directors (acting independently) exercise their authority only from and within Ireland by taking all key decisions relating to the Issuer in Ireland;
 - (C) it shall not open any office or branch or place of business outside of Ireland;
 - (D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "centre of main interests" (within the meaning of European Council Regulation No. 1346/2000 on Insolvency Proceedings (the "**Insolvency Regulations**") to be located in any jurisdiction other than Ireland and will not establish any offices, branches or other permanent establishments (as defined in the Insolvency Regulations) or register as a Company in any jurisdiction other than Ireland;
- (vii) pay its debts generally as they fall due;
- (viii) do all such things as are necessary to maintain its corporate existence;
- (ix) use its best endeavours to obtain and maintain the listing on the Main Securities Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are

agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide provided that any such other stock exchange is a recognised stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997 of Ireland;

- (x) supply such information to the Rating Agencies as they may reasonably request;
- (xi) ensure that its tax residence is and remains at all times in Ireland;
- (xii) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

For so long as any of the Notes remain Outstanding, save as provided in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

- (i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management and Administration Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;
- (ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, a Hedge Agreement, these Conditions or the Transaction Documents;
- (iii) engage in any business other than the holding and managing or both the holding and managing of "qualifying assets" within the meaning of Section 110 of the Taxes Consolidation Act 1997 as amended of Ireland and in connection therewith shall not engage in any business other than:
 - (A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;
 - (B) issuing and performing its obligations under the Notes;
 - (C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement, each Reporting Delegation Agreement and each other Transaction Document to which it is a party, as applicable; or
 - (D) performing any act incidental to or necessary in connection with any of the above;
- (iv) amend or agree to any amendment to any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);
- (v) agree to any amendment to any provision of, or grant any waiver or consent under, the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement, the Corporate Services Agreement or any other Transaction Document to which it is a party (save in

accordance with these Conditions and the Trust Deed and, in the case of the Collateral Management and Administration Agreement, the terms thereof);

- (vi) guarantee or incur any indebtedness for borrowed money, other than in respect of:
 - (A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;
 - (B) any Refinancing; or
 - (C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management and Administration Agreement;
- (vii) amend its memorandum and articles of association;
- (viii) have any subsidiaries or establish any offices, branches or other "establishment" (as that term is used in article 2(h) of the Insolvency Regulations outside of Ireland);
- (ix) have any employees (for the avoidance of doubt the Directors of the Issuer do not constitute employees);
- (x) enter into any reconstruction, amalgamation, merger or consolidation;
- (xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;
- (xii) issue any shares (other than such shares as are in issue as at the Issue Date) nor redeem or purchase any of its issued share capital and shall maintain adequate share capital in light of its contemplated business operations;
- (xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters) and any agreement with the Issuer's independent accountant), unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that, prior to the date that is two years and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), 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 and Account Bank Agreement and the Account Control Agreement or the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, any executory obligation thereunder;
- (xv) commingle its assets with those of any other Person or entity;
- (xvi) make any election within the meaning of Section 110(6) of the Taxes Consolidation Act 1997 of Ireland;
- (xvii) take any action which would cause it to cease to be a "qualifying company" within the meaning of Section 110 of the Taxes Consolidation Act 1997 of Ireland;
- (xviii) enter into any lease in respect of, or own, premises;

- (xix) enter into any transaction or arrangement otherwise than by way of a bargain made at arm's length; or
- (xx) have any Affiliates or, if it does have any Affiliates, enter into any transactions or arrangements with any of such Affiliates on anything other than arm's length terms.

6. **Interest**

(a) *Payment Dates*

(i) *Rated Notes*

The Rated Notes each bear interest from (and including) the Issue Date and such interest will be payable semi-annually (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 Payment Date falling in February 2015 in arrear on each Payment Date.

(ii) *Subordinated Notes*

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with paragraph (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1 shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payment on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *Rated Notes*

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) *Subordinated Notes*

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral remain available for distribution in accordance with the Priorities of Payment.

(c) *Deferral of Interest*

The Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes in full on any Payment Date in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payment.

In the case of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the principal amount of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to the holders of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full.

(d) *Payment of Deferred Interest*

Deferred Interest in respect of any Class B Note, Class C Note, Class D Note or Class E Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payment, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payment (and, if applicable, the Note Payment Sequence). Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable, will be added to the principal amount of the relevant Class, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class B Notes, the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable.

(e) *Interest on the Rated Notes*

(i) *Floating Rate of Interest*

The rate of interest from time to time in respect of the Class A-1 Notes (the "**Class A-1 Rate of Interest**"), in respect of the Class A-2A Notes (the "**Class A-2A Rate of Interest**"), in respect of the Class B Notes (the "**Class B Rate of Interest**"), in respect of the Class C Notes (the "**Class C Rate of Interest**"), in respect of the Class D Notes (the "**Class D Rate of Interest**") and in respect of the Class E Notes (the "**Class E Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(1) On each Interest Determination Date

- (a) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for six and nine month Euro deposits; and
- (b) in the case of each Interest Determination Date, the Calculation Agent will determine the offered rate for six month Euro deposits,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question ("**EURIBOR**"). Such offered rate will be that which appears on the

display designated on the Bloomberg Screen "BTMM EU" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest for each Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and in respect of (i) the initial Accrual Period, the rate referred to in paragraph (a) above; and (ii) each six month Accrual Period, the rate referred to in paragraph (b) above, in each case as determined by the Calculation Agent.

If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) 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:

- (a) in the case of the initial Accrual Period, for a straight line interpolation of the offered quotation for six month and nine month Euro deposits; and
- (b) in respect of each Interest Determination Date, for a period of six months,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question. The Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of, in respect of (i) the initial Accrual Period; the quotations referred to in paragraph (a) above; and (ii) each six month Accrual Period, the quotations referred to in paragraph (b), all as determined by the Calculation Agent.

- (2) If on any Interest Determination Date one only or none of the Reference Banks provides such quotations, the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest, respectively, for the next Accrual Period shall be the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest in each case in effect as at the immediately preceding Accrual Period.

- (3) Where:

"Applicable Margin" means:

- (i) in the case of the Class A-1 Notes: 1.35 per cent. per annum (the **"Class A-1 Margin"**);
- (ii) in the case of the Class A-2A Notes: 2.00 per cent. per annum (the **"Class A-2A Margin"**);
- (iii) in the case of the Class B Notes: 2.45 per cent. per annum (the **"Class B Margin"**);

- (iv) in the case of the Class C Notes: 3.45 per cent. per annum (the "**Class C Margin**");
- (v) in the case of the Class D Notes: 5.00 per cent. per annum (the "**Class D Margin**"); and
- (vi) in the case of the Class E Notes: 6.00 per cent. per annum (the "**Class E Margin**").

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable (and in any event, not later than the Determination Date immediately preceding the relevant Payment Date), determine the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A-1 Notes, the Class A-2A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A-1 Rate of Interest in the case of the Class A-1 Notes, the Class A-2A Rate of Interest in the case of the Class A-2A Notes, the Class B Rate of Interest in the case of the Class B Notes, the Class C Rate of Interest in the case of the Class C Notes, the Class D Rate of Interest in the case of the Class D Notes and the Class E Rate of Interest in the case of the Class E Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) *Calculation of Class A-2B Fixed Amounts*

The Calculation Agent will, as soon as practicable (and in any event, not later than the Determination Date immediately preceding the relevant Payment Date), calculate the amount of interest (an "**Interest Amount**") payable in respect of the Authorised Integral Amount of the Class A-2B Notes for the relevant Accrual Period by applying the Class A-2B Fixed Rate to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the number of days in the Accrual Period concerned (the number of days to be calculated on the basis of a year with 12 months of 30 days each) divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards);

where:

"**Class A-2B Fixed Rate**" means 3.145 per cent. per annum.

(iv) *Reference Banks and Calculation Agent*

The Issuer will procure that, so long as any Class A-1 Note, Class A-2A Note, Class A-2B Note, Class B Note, Class C Note, Class D Note or Class E Note remains Outstanding:

- (1) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and
- (2) in the event that the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (2) of Condition 6(e)(i) (*Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (2) are requested to provide a quotation.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) *Interest Proceeds in respect of Subordinated Notes*

Solely in respect of Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of 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 (DD) of the Interest Priority of Payments, paragraph (U) of the Principal Priority of Payments and paragraph (W) of the Post-Acceleration Priority of Payments by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) *Publication of Rates of Interest, Interest Amounts and Deferred Interest*

The Calculation Agent will cause the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest and the Class E Rate of Interest or 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 B Notes, Class C Notes, Class D Notes or Class E 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 U.S. Paying Agent, the Transfer Agent, the Trustee and the Collateral Manager, as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Rated Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason so calculate the Class A-1 Rate of Interest, the Class A-2A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest or the Class E Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) may do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and in reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it may make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) *Notifications, etc. to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the U.S. Paying Agent, the Transfer Agent and all Noteholders (save in the case that the Issuer certifies or the Trustee determines (in its sole discretion) that any such is erroneous and, if applicable, the Issuer publishes a correction in accordance with Condition 16 (*Notices*), provided that the Trustee shall be under no obligation actively to monitor any such notifications, opinions, determinations, certificates, quotations and decisions for such errors) and no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks or the Trustee in connection with the exercise or non exercise by them of their powers, duties and discretions under this Condition 6(i) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) Final Redemption

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (U) of the Principal Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) Optional Redemption

(i) Optional Redemption in Whole - Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer at the applicable Redemption Prices:

- (A) on any Business Day falling on or after expiry of the Non-Call Period at the option of the holders of the Subordinated Notes acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing (which may be included in duly completed Redemption Notices) from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes;
- (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 (as evidenced by duly completed Redemption Notices) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing (which may be included in duly completed Redemption Notices) from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes.

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

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in whole or in part*

through Refinancing), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period (A) at the direction of the Subordinated Noteholders, (acting by Ordinary Resolution) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing (which may be included in duly completed Redemption Notices) from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes or (B) at the written direction of the Collateral Manager, in either case at least 30 days prior to the Redemption Date, to redeem such Class of Rated Notes. No such Optional Redemption may occur unless the Rated Notes to be redeemed represent the entire Class of such Rated Notes.

(iii) *Optional Redemption in Whole - Clean-up Call*

Subject to the provisions of Conditions 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and 7(b)(vi) (*Optional Redemption effected through Liquidation only*), the Rated Notes shall be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Principal Balance is less than 20 per cent. of the Target Par Amount subject to (i) the right of holders of not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Subordinated Notes to object to such redemption, such right to be exercised by delivery in accordance with the Trust Deed by any holder of Subordinated Notes so objecting, of a written direction confirming such holder's objection together with evidence of their holding to the Issuer, the Trustee and the Collateral Manager following receipt of notice of such Optional Redemption but no later than 10 Business Days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager) prior to the relevant Redemption Date; and (ii) the right of the Collateral Manager in its sole discretion to object to such redemption, such right to be exercised by delivery of a written notice by the Collateral Manager to the Issuer and the Trustee no later than 10 Business Days prior to the relevant Redemption Date.

(iv) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

- (A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7 (*Redemption and Purchase*), including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee, each Hedge Counterparty and the Noteholders in accordance with Condition 16 (*Notices*));
- (B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices (subject, in the case of an Optional Redemption of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer and the Collateral Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager) prior to the relevant Redemption Date;

- (C) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and
 - (D) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.
- (v) *Optional Redemption effected in whole or in part through Refinancing*

Following receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution) 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 – Collateral Manager/Subordinated Noteholders*), the Issuer may, subject to the consent of the Collateral Manager:

- (A) in the case of a redemption in whole of all Classes of Rated Notes (1), enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and
- (B) in the case of a redemption in part of the entire Class of a Class of Rated Notes, issue replacement notes (each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Subordinated Noteholders (acting by Ordinary Resolution) and the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*).

(C) **Refinancing in relation to a Redemption in Whole**

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to Moody's and Fitch;
- (2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs (including, for the avoidance of doubt, any Trustee Fees and Expenses that are Refinancing Costs and any Administrative Expenses that are Refinancing Costs) and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payment (subject to any election to receive less than 100

per cent. of the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

- (3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;
- (4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and
- (5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

and in addition, where the Refinancing Obligations in relation to any such Refinancing are replacement notes:

- (6) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class of Notes being redeemed with the Refinancing Proceeds;
- (7) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;
- (8) the interest rate of any Refinancing Obligations will not be greater than the interest rate of the Rated Notes subject to such Optional Redemption (taking into account any discount on issuance);
- (9) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed; and
- (10) the voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed,

in each case, as confirmed in writing to the Issuer and the Trustee by the Collateral Manager.

(D) Refinancing in relation to a Redemption in Part

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Collateral Manager/Subordinated Noteholders*), such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to Moody's and Fitch;
- (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 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) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;
- (5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;
- (6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;
- (7) the aggregate principal amount of the Refinancing Obligations for each Class is equal to the aggregate Principal Amount Outstanding of such Class 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 (taking into account any discount on issuance);
- (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 Collateral Manager.

If, in relation to a proposed optional redemption of the Notes (in part or in whole, as applicable), any of the relevant conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent which the Issuer (or the Collateral Manager on its behalf) certifies is necessary to reflect the terms of the Refinancing. No further consent for such amendments shall be required from the holders of Notes other than from the holders of the Subordinated Notes acting by way of an Ordinary Resolution.

The Trustee will not be obliged to enter into any modification that, in its opinion, would (i) have the effect of exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) add to or increase the obligations, liabilities, duties or decrease the protections of the Trustee in respect of any Transaction Document, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer (or the Collateral Manager on its behalf) to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(vi) *Optional Redemption effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of (i) a direction in writing from the Subordinated Noteholders (acting by way of Ordinary Resolution), (ii) a direction in writing from the Controlling Class (acting by way of Ordinary Resolution) and/or (iii) consent of (where required) or direction from the Collateral Manager, as applicable as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 15 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager or any Collateral Manager Related Person will be permitted to purchase Collateral Obligations in the Portfolio where the Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

- (A) at least five Business Days before the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee) the Collateral Manager shall have furnished to the Trustee a certificate signed by an officer of the Collateral Manager (upon which the Trustee may rely absolutely) that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (a) either (x) has a short-term senior unsecured rating of "P-1" by Moody's or (y) in respect of which Rating Agency Confirmation from Moody's has been obtained and (b) either (x) has a long-term issuer credit rating of at least "A" by 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 puttable to the issuer thereof at par on or prior to the scheduled Redemption Date and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, to meet the Redemption Threshold Amount;

- (B) at least the Business Day before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and, without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, to meet the Redemption Threshold Amount, provided that, if the Issuer has received funds from a purchaser of one or more Collateral Obligations (in whole or in part), but such Collateral Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and
- (C) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value and (C) without double counting, amounts standing to the credit of the Accounts that will be available for payment in accordance with the Post-Acceleration Priority of Payments on the scheduled Redemption Date, shall meet or exceed the Redemption Threshold Amount.

Any certification delivered by the Collateral Manager pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*) must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and/or Eligible Investments, (2) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full and (3) all calculations required by this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) (as applicable). Any Noteholder, the Collateral Manager or any Collateral Manager Related Person shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager, the Rating Agencies and the Noteholders in accordance with Condition 16 (*Notices*). Such cancellation shall not constitute an Event of Default.

The Trustee shall rely conclusively and without liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*).

(vii) *Mechanics of Redemption*

Following calculation by the Collateral Administrator of the relevant Redemption Threshold Amount (in consultation with the Collateral Manager), if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Collateral Management and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Principal Paying Agent (who shall notify the Noteholders in accordance with Condition 16 (*Notices*) of such amounts).

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days (or such shorter period of time as the Trustee and the Collateral

Manager find acceptable) prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Principal Paying Agent upon satisfaction of all of the conditions set out in this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*) and shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) and/or Condition 7(g) (*Redemption Following Note Tax Event*) in the Payment 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 the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. In the case of any redemption in whole of a Class of Rated Notes, the relevant Refinancing Proceeds (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the Noteholders of such Class of Notes subject to payment of amounts in priority in accordance with the Priorities of Payment.

(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 the Subordinated Noteholders (acting by Ordinary Resolution) but subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes.

(c) *Mandatory Redemption upon Breach of Coverage Tests*

(i) *Class A-1 Notes and Class A-2 Notes*

If the Class A Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class A Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes and the Class A-2 Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(ii) *Class B Notes*

If the Class B Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 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 following such redemption.

(iii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iv) *Class D Notes*

If the Class D Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(v) *Class E Notes*

If the Class E Par Value Test is not met on any Determination Date on and after the expiry of the Reinvestment Period, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with and subject to the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until such Coverage Test is satisfied if recalculated following such redemption.

(d) *Special Redemption*

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer), if either (A) at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies (upon which the Trustee may rely without further enquiry) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Obligations or Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Obligations or Substitute Collateral Obligations, or (B) at any time after the Effective Date, the Collateral Manager (acting on behalf of the Issuer) notifies the Trustee that, as determined by the Collateral Manager acting in a commercially reasonable manner, a redemption is required in order to avoid a Rating Event (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such notification is given (a "**Special Redemption Date**") (A) the funds in the Principal Account representing Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in additional Collateral Obligations or Substitute Collateral Obligations by the Collateral Manager or (B) such minimum amount of funds in the Principal Account as the Collateral Manager determines, acting in a commercially reasonable manner, is required to avoid the occurrence of a Rating Event (each amount under (A) and (B), a "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Noteholder affected thereby and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the

Collateral Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payment, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) *Redemption Following Expiry of the Reinvestment Period*

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payment.

(g) *Redemption Following Note Tax Event*

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to 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 certifies to the Trustee (upon which the Trustee may rely without further enquiry) and the Noteholders 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 Noteholders that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period) (i) the Controlling Class or (ii) subject to the consent of the Collateral Manager which consent shall be deemed to have been given upon receipt by the Issuer and the Collateral Manager of confirmation in writing from the holders of the Subordinated Notes exercising such option that none of such Subordinated Noteholders holds an interest (either directly or indirectly) in any of the Rated Notes, the Subordinated Noteholders, in each case acting by way of Ordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any 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; 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 subject to and in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*) (including, for the avoidance of doubt, Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*)).

(h) *Redemption*

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) *Cancellation and Purchase*

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein or for cancellation pursuant to Condition 7(l) (*Purchase*) below, for registration of transfer,

exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

(j) *Notice of Redemption*

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

(k) *Reinvestment Overcollateralisation Test*

During the Reinvestment Period, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may redeem the Notes upon a failure of the Reinvestment Overcollateralisation Test subject to and in accordance with the Priorities of Payment.

(l) *Purchase*

On any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management and Administration Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using amounts standing to the credit of the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

- (A) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A-1 Notes, until the Class A-1 Notes are purchased or redeemed in full and cancelled; second, the Class A-2A Notes and the Class A-2B Notes (on a *pari passu* basis), until the Class A-2A Notes and the Class A-2B Notes are purchased or redeemed in full and cancelled; third, the Class B Notes, until the Class B Notes are purchased or redeemed in full and cancelled; fourth, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fifth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; and sixth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled;
- (B)
 - (1) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the amount of Supplemental Reserve Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;
 - (2) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and
 - (3) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Supplemental Reserve Amounts specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;
- (C) each such purchase shall be effected only at prices discounted from par;
- (D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;

- (E) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase (and subsequent cancellation pursuant to this Condition 7(l) (*Purchase*)) or, if any Coverage Test is not satisfied, it shall be at least maintained or improved after giving effect to such purchase (and subsequent cancellation pursuant to this Condition 7(l) (*Purchase*)) compared with what it was immediately prior thereto;
- (F) no Event of Default shall have occurred and be continuing;
- (G) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold; and
- (H) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations. The Issuer shall procure that notice of any such purchase of Rated Notes by it is given promptly in writing to the Rating Agencies and the Trustee.

8. **Payments**

(a) *Method of Payment*

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent or any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made either by wire transfer on the day payment falls due or Euro cheque drawn on a bank in Western Europe or the United States of America and posted on the Business Day immediately preceding 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 at his address shown on the register on the Record Date. Upon application of the holder to the specified office of the Principal Paying Agent or any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

(b) *Payments*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA. No commission shall be charged to the Noteholders.

(c) *Payments on Presentation Days*

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) *Principal Paying Agent and Transfer 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 prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) if required in order to avoid any withholding or deduction on account of tax pursuant to European Council Directive 2003/48/EC (or any other Directive implementing or complying with, or introduced in order to conform to, such Directive), a paying agent in 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 in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager 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 the United States, or any other jurisdiction, or any political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law or any such relevant taxing authority or in connection with FATCA. Any 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 (upon which certification the Trustee may rely without further enquiry) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change, provided that the Trustee's approval shall be subject to confirmation of tax counsel that such a substitution and/or change in tax residence would be effective in eliminating the imposition of such tax.

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

- (a) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;
- (b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with Ireland or other applicable taxing authority;

- (c) in respect of a payment made or secured for the immediate benefit of an individual or a non corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings 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 or any arrangement entered into between the EU member states and certain third countries and territories in connection with the Directive;
- (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 Transfer Agent in a member state of the European Union;
- (e) in connection with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto); or
- (f) any combination of the preceding clauses (a) through (e) inclusive,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. **Events of Default**

(a) *Events of Default*

Any of the following events shall constitute an "**Event of Default**":

(i) *Non payment of interest*

the Issuer fails to pay any interest in respect of the Class A-1 Notes or the Class A-2 Notes when the same becomes due and payable or, following redemption and payment in full of the Class A-1 Notes and the Class A-2 Notes, the Issuer fails to pay any interest in respect of the Class B Notes when the same becomes due and payable or, following redemption and payment in full of the Class B Notes, the Issuer fails to pay any interest in respect of the Class C Notes when the same becomes due and payable or, following redemption and payment in full of the Class C Notes, the Issuer fails to pay any interest in respect of the Class D Notes when the same becomes due and payable or, following redemption and payment in full of the Class D Notes, the Issuer fails to pay any interest in respect of the Class E Notes when the same becomes due and payable and, in each case, the failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission by the Collateral Administrator or any Paying Agent, such failure continues for a period of at least ten Business Days after the Collateral Administrator or such Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission; provided further that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(ii) *Non payment of principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date and such failure to pay such principal continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission by the Collateral Administrator or any Paying Agent, such failure continues for a period of at least ten Business Days after the Collateral Administrator or such Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(iii) *Default under Priorities of Payment*

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payment and continuation of such failure for a period of five Business Days or, in the case of a failure to disburse due to an administrative error or omission or another non credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee, but without liability as to such determination) by the Collateral Administrator, such failure continues for ten Business Days after the Collateral Administrator receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Principal Balance of all Collateral Obligations other than Defaulted Obligations plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date plus (3) any Principal Proceeds standing to the credit of the Principal Account or other Accounts on such Measurement Date and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A-1 Notes, to equal or exceed 102.5 per cent.;

(v) *Breach of Other Obligations*

except as otherwise provided in this definition of "Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or Reinvestment Overcollateralisation Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days after the earlier of (a) the Issuer having actual knowledge of such default, breach or failure or (b) notice being given to the Issuer and the Collateral Manager by registered or certified mail or courier from the Trustee, the Issuer or the Collateral Manager, or to the Issuer and the Collateral Manager from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 day period specified above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) unless it continues for a period of 45 days (rather than, and not in addition to, such 30 day period specified above) after the earlier of the Issuer having actual knowledge thereof or notice thereof in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar official (other than any party, including without limitation the Trustee and the Custodian, appointed or otherwise acting pursuant to or in connection with the Transaction Documents) (a "**Receiver**") is appointed in relation to such proceedings

and the whole or any substantial part of the undertaking or assets of the Issuer and, in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to, judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) *Illegality*

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) *Investment Company Act*

the Issuer or any of the Collateral becomes required to register as an "investment company" under the Investment Company Act and such requirement continues for 45 days.

(b) *Acceleration*

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of an Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable.

(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) (*Acceleration*) following the occurrence of an Event of Default (other than with respect to an Event of Default occurring under paragraph (vi) of the definition thereof) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration under paragraph (b) above and its consequences if:

- (i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:
 - (A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;
 - (B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;
 - (C) all unpaid Administrative Expenses (up to the Senior Expenses Cap) and Trustee Fees and Expenses (without regard to the Senior Expenses Cap); and
 - (D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate 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 requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following receipt by the Trustee of written notice from the Issuer confirming that the Issuer has received such amounts, in accordance with the Post-Acceleration Priority of Payments.

(d) *Restriction on Acceleration*

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) *Notification and Confirmation of No Default*

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. **Enforcement**

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed and the Notes and, pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequences of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on the individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or prefunded and/or secured to its satisfaction, the Trustee (or any appointee or agent on its behalf) determines that the anticipated proceeds realised from such Enforcement Action (after deducting and allowing for any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all

Classes of Notes (including, without limitation, Deferred Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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**") and the Controlling Class agrees with such determination by an Extraordinary Resolution, subject to consultation by the Trustee with the Collateral Manager (in which case the Enforcement Threshold will be met); or

- (B) if the Enforcement Threshold will not have been met then, in the case of an Event of Default specified in sub-paragraph (i), (ii) or (iv) of Condition 10(a) (*Events of Default*), the Controlling Class directs the Trustee by Extraordinary Resolution 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.
- (ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless, subject to the above, it is directed to do so by the Controlling Class acting by Extraordinary Resolution and in each case the Trustee is indemnified and/or secured and/or prefunded to its satisfaction. Following redemption and payment in full of the Rated Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and
- (iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses) and shall be exempted from any liability arising directly or indirectly from any action taken or not taken by the Trustee in connection with such opinion and/or advice.

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, each Hedge Counterparty and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be, following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption Following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payment in accordance with the Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) or amounts standing to the credit of the Currency Account which represent Sale Proceeds in respect of Non-Euro Obligations sold subject to and in accordance with the terms of a Currency Hedge Transaction which shall be paid to the relevant Hedge Counterparty in accordance with the terms thereof outside the Priorities of Payment), shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

- (A) to the payment of taxes owing by the Issuer accrued (other than any Irish corporate income tax in relation to the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any value added tax payable in respect of any Collateral Management Fee or any other amounts in respect of tax payable to any person or taxing authority in accordance with the following

paragraphs (B) to (W)); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Irish Account from time to time;

- (B) to the payment of accrued and unpaid Trustee Fees and Expenses, provided that following an acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (which has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)), the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;
- (C) to the payment of Administrative Expenses in the priority stated in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that, upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Senior Expenses Cap shall not apply in respect of (i) amounts payable under paragraph (a) of the definition of Administrative Expenses or (ii) other Administrative Expenses, to the extent necessary to allow the Issuer to be wound up on a solvent basis (but only to such extent);
- (D) to the payment:
 - (1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts which shall not be paid pursuant to this paragraph; and
 - (2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),
- (E) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments, (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Currency Account or the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Interest Account or the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);
- (F) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class A-1 Notes;
- (G) to the redemption on a *pro rata* basis of the Class A-1 Notes, until the Class A-1 Notes have been redeemed in full;
- (H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class A-2A Notes and the Class A-2B Notes;
- (I) to the redemption on a *pro rata* and *pari passu* basis of the Class A-2A Notes and the Class A-2B Notes, until the Class A-2A Notes and the Class A-2B Notes have been redeemed in full;
- (J) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class B Notes;
- (K) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;
- (L) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class C Notes;

- (M) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;
- (N) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable on the Class D Notes;
- (O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;
- (P) to the payment on a *pro rata* basis of all Interest Amounts (including any Deferred Interest and interest on Deferred Interest) due and payable 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:
 - (1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);
 - (2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);
 - (3) *thirdly*, to the Collateral Manager (and, if applicable the relevant taxing authority) in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts; and
 - (4) *fourthly*, to the repayment of any Collateral Manager Advances and any interest thereon;
- (S) to the payment of Trustee Fees and Expenses or Administrative Expenses not paid by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis, provided that, following an enforcement of the Notes in accordance with this Condition 11 (*Enforcement*), such payment shall only be made to any recipients thereof that are Secured Parties;
- (T) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);
- (U) to any Reinvesting Noteholder (whether or not any applicable Reinvesting Noteholder continues on the date of such payment to hold all or any portion of such Subordinated Notes) of any Reinvestment Amounts accrued and not previously paid pursuant to this clause (s) with respect to their respective Subordinated Notes, *pro rata* in accordance with the respective aggregate Reinvestment Amounts with respect to the Subordinated Notes;
- (V) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (W) below, paragraph (DD) of the Interest Priority of Payments and paragraph (U) of the Principal Priority of Payments),

- (1) firstly, to the payment to the Collateral Manager of 20 per cent. of any remaining proceeds in payment of any accrued but unpaid Incentive Collateral Management Fee; and
 - (2) secondly, to the payment of any value added tax in respect of the Incentive Collateral Management Fee referred to in (a) above (whether payable to the Collateral Manager or directly to the relevant taxing authority); and
- (W) any remaining 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).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax, payment of the amount so deducted or withheld shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding has arisen.

(c) *Only Trustee to Act*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) *Purchase of Collateral by Noteholders or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any Collateral Manager Related Person may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. **Prescription**

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the date on which payment in respect of such Notes is received by the applicable Paying Agent.

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 (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) *Decisions and Meetings of Noteholders*

(i) *General*

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution, in each case, either acting together (subject as provided in paragraph (viii) below) or, by a Class of Noteholders acting independently. Save to the extent expressly stated otherwise, separate meetings of the Noteholders of each Class shall be convened and held. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to Moody's and Fitch in writing.

(ii) *Quorum*

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

Type of Resolution	Any meeting (other than a meeting adjourned for want of quorum)	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes, if applicable)

Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes, if applicable)
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The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) *Minimum Voting Rights*

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66 ^{2/3} per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) *Written Resolutions*

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

- (A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;
- (B) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document;
- (C) any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class Outstanding;
- (D) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;
- (E) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);
- (F) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note;
- (G) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuances*);
- (H) a change in the currency of payment of the Notes of a Class;
- (I) any change in the Priorities of Payment or of any payment items in the Priorities of Payment;
- (J) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution; and
- (K) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(vii) *Ordinary Resolution*

Any meeting of the Noteholders shall (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable) have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above.

(viii) *Resolutions affecting Other Classes*

If and for so long as any Notes of more than one Class are Outstanding, in relation to any meeting of Noteholders:

- (a) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects only the Notes of a Class or Classes (the "**Affected Class(es)**"), but not another Class or Classes, as the case may be, shall be deemed to have been duly passed if passed at a meeting or meetings of the holders of the Notes of the Affected Class(es) and such Resolution shall be binding on all the Noteholders, including the holders of Notes which are not an Affected Class;
- (b) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects the Notes of each Class shall be deemed to have been duly passed only if passed at meetings of the Noteholders of each Class;

- (c) a Resolution passed by the Controlling Class to exercise any rights granted to them pursuant to the Conditions or any Transaction Document shall be deemed to have been duly passed if passed at a meeting of the Controlling Class and such resolution shall be binding on all the Noteholders; and
- (d) a Resolution passed by at least 66^{2/3} per cent. of the votes cast at a duly convened meeting of the Subordinated Noteholders to exercise the rights granted to them pursuant to the Conditions shall be deemed to have been passed if passed only at a meeting of the Subordinated Noteholders and such resolution shall be binding on all of the Noteholders.

(c) *Modification and Waiver*

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as otherwise provided in paragraphs (x), (xii) and (xvi) below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall consent to (without the consent of the Noteholders) such amendment, supplement, modification or waiver, subject as provided below (other than in the case of an amendment, modification, supplement or waiver pursuant to paragraphs (xi) or (xiii) 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;
- (ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;
- (iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the security of the Trust Deed any additional property;
- (iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;
- (v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed and admitted to trading on the Main Securities Market of the Irish Stock Exchange or any other exchange;
- (vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation;
- (vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;
- (viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to UK value added tax in respect of any Collateral Management Fees;
- (ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

- (x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable), provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the consent of the Controlling Class acting by Ordinary Resolution has been obtained;
- (xi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent of the Collateral Manager;
- (xii) 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 Overcollateralisation Test, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);
- (xiii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class and, in the case of a modification of the Collateral Management and Administration Agreement, subject to the consent of the Collateral Manager;
- (xiv) to amend the name of the Issuer;
- (xv) to make any amendments to the Trust Deed or any other Transaction Document to enable the Issuer to comply with FATCA (or any voluntary agreement entered into with a taxation authority pursuant thereto);
- (xvi) to modify or amend any components of the Fitch Tests Matrix or the Moody's Test Matrix in order that they may be consistent with the criteria of the Rating Agencies, subject to (x) receipt of Rating Agency Confirmation from Fitch or Moody's, as applicable and (y) the consent of the Controlling Class acting by Ordinary Resolution;
- (xvii) to make any changes necessary (x) to reflect any additional issuances of Notes in accordance with Condition 17 (*Additional Issuances*) or (y) to issue any replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) and Condition 7(b)(v)(E) (*Consequential Amendments*);
- (xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;
- (xix) to modify the terms of the Transaction Documents in order that they may be consistent with the requirements of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of the Noteholders of the Notes of any Class, subject to receipt by the Trustee of Rating Agency Confirmation in respect of the Rated Notes from each Rating Agency then rating the Rated Notes (upon which certification and confirmation the Trustee shall be entitled to rely);
- (xx) to modify the terms of the Transaction Documents and/or the Conditions in order to enable the Issuer to comply with any requirements which apply to it under EMIR, AIFMD, the Dodd-Frank Act or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto), subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee that the requested

amendments are required for the purpose of enabling the Issuer to satisfy its requirements under EMIR, AIFMD, the Dodd-Frank Act or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto);

- (xxi) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with changes in the Retention Requirements or corresponding retention requirements under Solvency II or the UCITS Directive;
- (xxii) 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*);
- (xxiii) 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;
- (xxiv) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(xx) (*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
- (xxv) to make any other modification of any of the provisions of any Transaction Document to facilitate compliance by the Issuer with any FTT that it is or becomes subject to.

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

- (A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and
- (B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall have a material adverse effect on the rights or obligations of a Hedge Counterparty without the Hedge Counterparty's prior written consent or on the Collateral Manager without the Collateral Manager's written consent.

To the extent required pursuant to a Hedge Agreement, the Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and seek the prior consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt, such notice shall only be given and such consent shall only be sought to the extent required above or in accordance with and subject to the terms of the relevant Hedge Agreement. If a Hedge Agreement allows a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request, during such period and pending a response from the relevant Hedge Counterparty, the Issuer shall not make any such proposed amendment.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise provided in paragraphs (x), (xii) and (xvi) above) or any other Secured Party, concur with the Issuer in making any modification, amendment, waiver or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee

is entitled to rely) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xi) or (xiii) above in which the Trustee may, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xiii) above, 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 expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent (if applicable or required) as it sees fit.

(d) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may direct.

The Issuer shall procure that, so long as the Notes are listed on the Main Securities Market of the Irish Stock Exchange, any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) *Entitlement of the Trustee and Conflicts of Interest*

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the

Class A-1 Noteholders over the Class A-2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, (ii) Class A-2 Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, (iii) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, (iv) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, (v) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders and (vi) the Class E Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft of the Collateral, from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency and Account Bank Agreement and the Account Control Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require. Any

such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

17. **Additional Issuances**

- (a) The Issuer may from time to time, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Retention Holder and, in respect of additional issuances of Class A-1 Notes only, the approval of the Controlling Class acting by Ordinary Resolution, 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 Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Obligations, provided that the following conditions are met:
- (i) such additional issuances in relation to the applicable Class of Notes may not exceed 100.0 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;
 - (ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;
 - (iii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to Subordinated Notes as described in paragraph (b) below);
 - (iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;
 - (v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;
 - (vi) the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes compared to what they were immediately prior to such additional issuance of Notes;
 - (vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing 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;

- (viii) (so long as the existing Notes of the Class of Notes to be issued are listed on the Main Securities Market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Main Securities Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);
- (ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer; and
- (x) any issuance of additional Notes would not result in non-compliance by the Collateral Manager with the Retention Requirements.

Any additional Notes that are not fungible with an existing Class of Notes for U.S. federal tax purposes will be issued with a separate securities identifier.

- (b) The Issuer may also issue and sell additional Subordinated Notes (without issuing Notes of any other Class) having the same terms and conditions as existing Subordinated Notes (subject as provided below) and subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and the prior written approval of the Retention Holder and which shall be consolidated and form a single series with the Outstanding Subordinated Notes, 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 sales price, with the net proceeds to be deposited into the Supplemental Reserve Account to be applied for the purposes of a Permitted Use;
 - (iv) the conditions set out in Condition 3(c)(iv) (*Reinvestment Amounts*) are satisfied;
 - (v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance;
 - (vi) the holders of the Subordinated Notes shall have been notified 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;
 - (vii) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;
 - (viii) (so long as the existing Subordinated Notes are listed on the Main Securities Market of the Irish Stock Exchange) the additional Subordinated Notes to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the Main Securities Market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires); and
 - (ix) any issuance of additional Subordinated Notes would not result in non-compliance by the Collateral Manager with the Retention Requirements.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further notes forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

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 (other than the U.S. Security Agreement) and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Corporate Services Agreement is governed by and shall be construed in accordance with Irish law. The Account Control Agreement and the U.S. Security Agreement are governed by and shall be construed in accordance with New York law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes 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 (having an office, at the date hereof, at 6 St Andrew Street, 5th Floor, London EC4A 3AE) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication, amounts deposited into the Expense Reserve Account) are expected to be approximately €393,421,000. Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Obligations purchased by the Issuer prior to the Issue Date and to fund the First Period Reserve Account on the Issue Date. The remaining proceeds shall be deposited into the Unused Proceeds Account.

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class (other than the Regulation S Notes of each Class which are Retention Notes) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person (a) whom the seller reasonably believes to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Certificate (or, in the case of the Class D Notes, the Class E Notes or the Subordinated Notes and if applicable, a Rule 144A Definitive Certificate). See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than the Rule 144A Notes of each Class which are Retention Notes) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A and Regulation S, and 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 in an offshore transaction to a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

CM Removal and Replacement Voting and Non-Voting Notes

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

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

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

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

A Noteholder holding a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Non-Voting Notes may request by the delivery to a Transfer Agent of a written request that such beneficial interest be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Voting Notes only:

- (a) in connection with the transfer of such Notes to an entity that is not an Affiliate of such Noteholder, as provided above; or
- (b) if the relevant Noteholder:
 - (i) is not the Collateral Manager or a Collateral Manager Related Person; and
 - (ii) provides to such Transfer Agent, at the expense of such Noteholder, an opinion issued by reputable legal counsel (which such Transfer Agent shall be entitled to accept without further enquiry) confirming that the investment by such Noteholder in such Notes in the form of CM Removal and Replacement Voting Notes held by such Noteholder will not cause such Notes to constitute "ownership interests" in the Issuer for the purposes of Section 619 of the Dodd-Frank Act.

Beneficial interests in a Global Certificate representing Notes in the form of CM Removal and Replacement Non-Voting Notes shall not be exchanged for a beneficial interest in a Global Certificate representing Notes in the form of CM Removal and Replacement Voting Notes in any other circumstances.

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 D Note, a Class E Note or a Subordinated Note will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Class D Note, Class E Note or Subordinated Note unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling

Person (substantially in the form of Annex B); and (iii) unless the written consent of the Trustee and the Issuer to the contrary is obtained, holds such Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate. Any Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Retention Notes will be offered outside the United States to the Collateral Manager as a non-U.S. Person in reliance on Regulation S and will be issued in definitive, certificated, fully registered form. On the Issue Date, the Retention Notes will be registered in the name of the Collateral Manager.

The Notes are not issuable in bearer form.

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*"). 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 to the registered holder and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or the Transfer Agent 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 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 of such Notes provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.
- *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 one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.
- *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' and the Controlling Class's option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following Note Tax Event*) may be exercised by the Subordinated Noteholders (where applicable, with the consent of the Collateral Manager) or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amount of Subordinated Notes or Notes representing

the Controlling Class (as applicable) in respect of which the option is exercised and presenting the relevant Definitive Certificate(s) and/or Global Certificate(s) for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- **Record Date** – The Record Date will mean the close of business on the Clearing System business day before the relevant due date for payment of principal and interest in respect of such security.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class D Notes, Class E Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing the Class D Note, Class E Note or Subordinated Note if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the 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 Schedule 6 to the Trust Deed (*Form of ERISA and Tax Certificate*).

Interests in Global Certificates representing Class D Notes, Class E Notes or Subordinated Notes may be exchangeable for interests in Definitive Certificates representing Class D Notes, Class E Notes or Subordinated Notes in accordance with the Conditions as amended above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"Definitive Exchange Date" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and the Transfer Agent is located.

Delivery

In the event a Global Certificate is to be exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates and (b) in the case of the 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*".

Legends

The holder of a Class D Note, Class E Note or Subordinated Note in registered definitive form or the Retention Notes, as applicable, may transfer the Notes represented thereby or the Retention Notes (subject, in the case of the Retention Notes, to the provisions of the Collateral Management and Administration Agreement) in whole or in part in the applicable minimum denomination by surrendering such Note(s) at the specified office of the Registrar or the Transfer Agent, together with the completed form of transfer and, to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex B. Upon the transfer, exchange or replacement of a Class D Note, Class E Note or Subordinated Note in registered definitive form or the Retention Notes, as applicable, bearing the legend referred to under "*Transfer Restrictions*" below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Class D Notes, Class E Notes or Subordinated Notes or Retention Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Trustee and the Issuer, a Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Initial Purchaser or any Agent party to the Agency and Account Bank Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (see "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the

Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System are exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

RATINGS OF THE NOTES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A-1 Notes "Aaa(sf)" from Moody's and "AAAsf" from Fitch; the Class A-2A Notes: "Aa2(sf)" from Moody's and "AA+sf" from Fitch; the Class A-2B Notes: "Aa2(sf)" from Moody's and "AA+sf" from Fitch; the Class B Notes: "A2(sf)" from Moody's and "A+sf" from Fitch; the Class C Notes: "Baa2(sf)" from Moody's and "BBB+sf" from Fitch; the Class D Notes: "Ba2(sf)" from Moody's and "BBsf" from Fitch; and the Class E Notes: "B2(sf)" from Moody's and "B-sf" from Fitch. The Subordinated Notes being offered hereby will not be rated.

The ratings assigned to the Class A-1 Notes, the Class A-2A Notes and the Class A-2B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the other Rated Notes address the ultimate payment of principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

Moody's Ratings

Moody's Ratings address the expected loss posed to investors by the legal and final maturity on the Maturity Date.

Moody's analysis of the likelihood that each Collateral Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody's then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the Portfolio based on the level of diversification by region, issuer and industry. There can be no assurance that the actual default rates on the Collateral Obligations held by the Issuer will not exceed the rates assumed by Moody's in its analysis.

In addition to these quantitative tests, Moody's Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Moody's deems relevant.

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 Obligations and the various eligibility requirements that the Collateral Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as obligations with lower ratings are added to the Portfolio) and an additional default assumption to account for future fluctuations in defaults. 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 Collateral Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ 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 Collateral Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities and was incorporated in Ireland as a private limited company on 14 March 2014 under the Companies Acts 1963 to 2013 (as amended) (the "**Companies Acts**") with the name of Carlyle Global Market Strategies Euro CLO 2014-2 Limited and with company registration number 541125 and having its registered office at 53 Merrion Square, Dublin 2, Ireland. The telephone number of the registered office of the Issuer is +353 1 614 6240 and the facsimile number is +353 1 614 6250.

The authorised share capital of the Issuer is €100 divided into 100 ordinary shares of €1.00 each (the "**Shares**"). The Issuer has issued one Share, which is fully paid up and is held on trust by TMF Management (Ireland) Limited (as "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 30 April 2014, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

TMF Administration Services Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on 30 April 2014 between the Issuer and the Corporate Services Provider as amended and restated on or about the Issue Date (the "**Corporate Services Agreement**"), the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least three months' written notice to the other party.

The Corporate Services Provider's principal office is at 53 Merrion Square, Dublin 2, Ireland.

Business

The principal objects of the Issuer are set forth in Article 2 of its Memorandum of Association and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Collateral securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Conditions and in the Trust Deed. In particular, the Issuer has undertaken not to carry out any business other than the issue of the Notes and acquiring, holding and disposing of the Portfolio in accordance with the Conditions and the Collateral Management and Administration Agreement, entering into the Trust Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement, the Corporate Services Agreement, the Warehouse Termination Agreement, the U.S. Security Agreement, any Collateral Acquisition Agreements, the Subscription Agreement and any Hedge Agreements and exercising the rights and performing the obligations under each such agreement and all other transaction documents incidental thereto. The Issuer will not have any substantial liabilities other than in connection with the Notes and any secured obligations. The Issuer will not have any subsidiaries and, save in respect of the fees and expenses generated in connection with the issue of the Notes (referred to below), any related profits and the proceeds of any deposits and investments made from such fees or from amounts

representing the proceeds of the Issuer's issued share capital, the Issuer will not accumulate any surpluses.

The Issuer has, and will have, no material assets other than the Portfolio held from time to time, the Balances standing to the credit of the Accounts and the benefit of the Agency and Account Bank Agreement, the Account Control Agreement, the Collateral Management and Administration Agreement, the Collateral Acquisition Agreements and any Hedge Agreements and any other Transaction Documents entered into by or on behalf of the Issuer from time to time, such fees (as agreed) payable to it in connection with the issue of the Notes, the sum of €1.00 representing the proceeds of its issued and paid up share capital and the remainder of the amounts standing to the credit of the Issuer Irish Account. The only assets of the Issuer available to meet claims of the holders of the Notes and the other Secured Parties are the assets comprised in the Collateral.

The Notes are obligations of the Issuer alone and are not the obligation of, or guaranteed in any way by, the Directors, the Company Secretary, the Trustee, the Custodian, the Collateral Manager, the Collateral Administrator, any Hedge Counterparty or any Obligor under any part of the Portfolio.

Directors and Company Secretary

The Issuer's Articles of Association provide that the Board of Directors of the Issuer will consist of at least two Directors.

The Directors of the Issuer as at the date of this Prospectus are Jacqueline O'Rourke and Kevin Butler. The business address 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 Activity

Prior to the Issue Date, the Issuer entered into the Warehouse Arrangements in order to enable the Issuer to acquire certain Collateral Obligations on or before the Issue Date. Amounts owing under the Warehouse Arrangements will be fully repaid on the Issue Date using the proceeds from the issuance of the Notes.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Warehouse Arrangements, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Collateral Acquisition Agreements, the Notes, the Subscription Agreement, the Retention Note Purchase Deed, the Agency and Account Bank Agreement, the Account Control Agreement, the Trust Deed, the Collateral Management and Administration Agreement, the Corporate Services Agreement, the Warehouse Termination Agreement, the U.S. Security 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.

Indebtedness

The Issuer has no indebtedness as at the date of this Prospectus, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses (as defined in Condition 1 (*Definitions*) of the Conditions).

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2014. The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

The Issuer's profit and loss account and balance sheet can be obtained free of charge from the registered office of the Issuer. The Issuer must hold its first annual general meeting within 18 months of the date of its incorporation (and no more than 9 months after the financial year end) and thereafter the gap between its annual general meetings must not exceed 15 months. One annual general meeting must be held in each calendar year.

The auditors of the Issuer are Ernst & Young LLP, who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified in practice in Ireland.

DESCRIPTION OF THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Collateral Manager assumes any responsibility for the accuracy or completeness of such information. The duties and obligations of the Collateral Manager are solely those of CELF Advisors LLP and are not guaranteed by The Carlyle Group, more generally, or any of its other affiliated entities. The Notes and the Collateral do not represent interests in or obligations of, and are not insured or guaranteed by, CELF Advisors LLP, The Carlyle Group or any affiliate thereof.

The Collateral Manager

CELF Advisors LLP, a wholly-owned subsidiary of an affiliate of The Carlyle Group L.P., will act as Collateral Manager for the Issuer ("**CELF**"). CELF is the successor to CELF Investment Advisors Limited which was established in September 2004. CELF is authorised and regulated by the Financial Conduct Authority. In performing its duties as Collateral Manager under the Collateral Management and Administration Agreement, CELF will draw upon the investment experience of its own personnel, as well as the significant resources and investment experience of its affiliates. See "*The Collateral Management and Administration Agreement*."

The Carlyle Group

The Carlyle Group is a global alternative asset manager with approximately \$185 billion of assets under management across 122 active funds and 81 fund of fund vehicles, as of September 30, 2013. Founded in 1987 in Washington, D.C., Carlyle has grown into one of the world's largest and most successful investment firms, with more than 1,450 professionals operating in 34 offices in North America, South America, Europe, the Middle East, North Africa, Sub-Saharan Africa, Japan, Asia and Australia. The Carlyle Group operates its business through CELF and several other Carlyle-affiliated investment advisors.

Ownership and Management of Collateral Manager

The Carlyle Group's senior partners indirectly control all of the membership interests in Carlyle Investment Management L.L.C. ("**CIM**") through The Carlyle Group L.P., a publicly-traded partnership, and certain of its wholly-owned subsidiaries. CIM's direct and wholly-owned subsidiary, CELF, L.L.C., indirectly controls the membership interests in CELF. With respect to the Issuer and the Collateral Management and Administration Agreement, the management of the Issuer's investments is supervised by the Credit Committee (the "**Credit Committee**"), which is comprised of certain senior executives of The Carlyle Group.

The Credit Committee

The Credit Committee initially will be comprised of five senior officers of The Carlyle Group: Colin Atkins, Martin Glavin, Szymon Jaroszewski, Stuart MacKenzie and Louis Reynolds. Set forth below are the biographies of the credit committee, followed by those of other individuals who are expected to be involved in the execution of the Collateral Manager's responsibilities under the Collateral Management and Administration Agreement. There can be no guarantee that the members of the Credit Committee will participate in the execution of the Collateral Manager's responsibilities during the entire term of the Collateral Management and Administration Agreement. See "*Risk Factors – Collateral Manager*."

Colin Atkins. Colin Atkins is a Managing Director and Head of European Structured Credit. His previous role was Head of Credit for the European Leveraged Finance business. He is based in London. Mr. Atkins joined as a Director in November 2004 at the inception of the business and has been actively involved in credit analysis, trading, portfolio management and marketing of CLO, low levered, market value and synthetic funds that have been managed by the European Structured Credit team. His previous role was at Prudential M&G where he helped establish Prudential M&G's Leveraged Finance platform. Mr. Atkins holds a B.A. (Hons) in Accounting & Finance from Nottingham Trent University, is a member of The Association of Chartered Management Accountants (ACMA) and is a CFA Charterholder.

Martin Glavin. Martin Glavin is a Director within European Structured Credit. Mr. Glavin's responsibilities include analysis of high yield debt transactions and monitoring a portfolio of existing investments. He is a voting member of the credit committee and is based in London. Prior to joining Carlyle in January 2006, Mr. Glavin worked in various areas at Prudential M&G including structured finance, macroeconomic research and investment grade credit. Mr. Glavin holds an M.A. in Economics from the University of Cambridge and is a CFA Charterholder.

Szymon Jaroszewski. Szymon Jaroszewski is an Associate Director within European Structured Credit. Mr. Jaroszewski is involved in analysing and monitoring credits, with a focus on the industrial and building materials sectors. He is based in London. Mr. Jaroszewski joined from GMAC in October 2006 and had previously worked as an investment adviser at a firm of independent financial advisers. Mr. Jaroszewski holds a master's degree in Economics from the Poznan University of Economics and is a CFA Charterholder.

Stuart MacKenzie. Stuart MacKenzie is a Director and Portfolio Manager within European Structured Credit. Based in London, Mr. MacKenzie is also responsible for loan and bond trading as well as being a voting member of the credit committee. He previously served as a credit analyst with specific responsibility for investments in the retail and automotive sectors. Prior to joining Carlyle in December 2004, Mr. MacKenzie spent three years at Alcentra, an independent asset management company, after starting his career with Barclays Capital. Mr. MacKenzie holds a B.Sc. (Econ) in Financial and Business Economics from Royal Holloway, University of London and is a CFA Charterholder.

Louis Reynolds. Louis Reynolds is a Director within European Structured Credit, focusing on credit and relative value analysis in the high yield and leveraged loan markets, in particular in the chemicals and paper & packaging sectors. Mr. Reynolds is also a voting member of the credit committee. He is based in London. Prior to joining Carlyle in September 2005, Mr. Reynolds was with GE European Leveraged Finance in London. Mr. Reynolds holds a B.Sc. (Hons) in Economics and Finance and a M.Sc. (Hons) in Project Analysis, Finance and Investment from the University of York and is a CFA Charterholder.

Matthew Cottrell. Matthew Cottrell is a Director responsible for European compliance for Carlyle Global Market Strategies. He is based in London. Since joining Carlyle in 2006, Mr. Cottrell has been involved with fund structuring, documentation and management of CLO, low levered, market value and synthetic funds together with regulation and compliance for European Structured Credit. His current role covers compliance for the broader Global Market Strategies business in Europe. Prior to joining Carlyle, Mr. Cottrell was a Director in structured finance and credit policy at Fitch Ratings and he practiced as a banking lawyer in the international finance group at Ashurst, an international law firm. Mr. Cottrell holds a B.Sc. (Hons) in Mathematics and Philosophy from Durham University and an LPC from the College of Law. From 1998 to 2002, Mr. Cottrell was a Solicitor of the Supreme Court of England and Wales. He is a CFA Charterholder and has a CIMA diploma in management accounting.

Dhalia Khanna. Dhalia Khanna is an Associate responsible for Investor Relations. She is based in London. Prior to joining Carlyle in April 2007, Ms. Khanna was an Analyst at Deutsche Bank after starting her career at Goldman Sachs. Ms. Khanna holds a B.Sc. in Human Genetics from University College London.

Carina Jones. Carina Jones is an Analyst within European Structured Credit, responsible for analysis of leveraged loan and high yield debt transactions and monitoring a portfolio of existing investments, particularly in the retail and consumer product sectors. Ms. Jones holds a B.Sc. in Economics from London School of Economics and Political Science and has passed all three levels of the CFA Programme.

Paul O'Mahony. Paul O'Mahony is a Senior Associate focused on the day-to-day operations of the European Structured Credit funds. He is based in London. Since joining Carlyle in 2007, Mr. O'Mahony has worked on CLO, low levered and market value vehicles. These responsibilities include internal and external reporting, statistical analysis, trade settlements and reconciliations. Prior to joining Carlyle, Mr. O'Mahony worked for Deutsche Bank. He has also worked for Henderson Global Investors and JP Morgan Chase. Mr. O'Mahony holds a B.A. (Hons) in Business Studies from Dublin Business School.

Harris Revankar. Harris Revankar is an Associate Director within European Structured Credit. Mr. Revankar is involved in analysing and monitoring credit investments, with a particular focus on the gaming, telecom and business services sectors. He is based in London. Prior to joining Carlyle in May 2007, Mr. Revankar worked within the Global Proprietary Trading division of Credit Suisse, focusing on credit-related investments. Mr. Revankar holds an M.B.A. in finance from the London Business School and a B.A. in Economics and a minor in Japanese from New York University.

Justin Plouffe. Justin Plouffe is a Managing Director focussing on structured corporate credit investments. He is based in New York. Mr Plouffe is responsible for the structuring and marketing of Carlyle's new issue CLO's in the U.S. and Europe. He is also responsible for financial modelling, portfolio analytics and valuations for Carlyle's U.S. CLO business. Since joining Carlyle in 2007 he has been actively involved in Carlyle's acquisitions of corporate credit management platforms. Prior to joining Carlyle Mr Plouffe was an attorney at Ropes & Gray LLP and he also served as a clerk on the U.S. Court of Appeals for the First Circuit and as a legislative assistant to a U.S. Congressman. Mr Plouffe received his undergraduate degree from Princeton University and his J.D. from Columbia Law School where he was an editor of The Columbia Law Review. He is a CFA Charterholder and holds Series 7 and 63 licenses.

THE PORTFOLIO

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Conditions.

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of Secured Senior Obligations, Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased pursuant to the Warehouse Arrangements). The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is equal to at least €280,000,000 which is approximately 71.6 per cent. of the Target Par Amount. The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Obligations acquired by the Issuer on or prior to the Issue Date (including amounts due in order to finance the acquisition of warehoused Collateral Obligations); and (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes, will be deposited in the Expense Reserve Account, the First Period Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests or the Coverage Tests prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 26 December 2014, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount; and (ii) no more than 1 per cent. of the Target Par Amount 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 Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments in respect of a Collateral Obligation following acquisition by the Issuer shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its Moody's Collateral Value and its Fitch Collateral Value) and within 15 Business Days following the Effective Date the Issuer will provide, or cause the Collateral Manager to provide, to the Trustee and the Collateral Administrator (with a copy to the Collateral Manager, if applicable), an accountants' certificate recalculating and comparing the Aggregate Principal Balance of all Collateral Obligations purchased or committed to be purchased as at the Effective Date and the results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (other than the

Interest Coverage Tests) by reference to such Collateral Obligations. The accountants' certificate shall specify the procedures undertaken to review data and re-computations relating to such recalculations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly, following receipt of the Effective Date Report, request that each of the Rating Agencies (to the extent not previously received) confirm its Initial Ratings of the Rated Notes; provided that if the Effective Date Moody's Condition is satisfied then such Rating Agency Confirmation shall be deemed to have been given by Moody's. If the Effective Date Moody's Condition is not satisfied within 20 Business Days following the Effective Date, the Collateral Manager shall promptly notify Moody's. If (i) (a) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure, and (b) either the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies, or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan upon request therefor by the Collateral Manager; or (ii) the Effective Date Moody's Condition is not satisfied and following a request therefor from the Collateral Manager following the Effective Date, Rating Agency Confirmation from Moody's is not received, an Effective Date Rating Event shall have occurred, provided that any downgrade or withdrawal of the Initial Ratings of the Rated Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payment, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full. The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing, the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

- (a) it is a Secured Senior Obligation, a Corporate Rescue Loan, an Unsecured Senior Loan, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond, in each case;
- (b) it is (I) denominated in Euro or (II) is denominated in a Qualifying Currency other than Euro and no later than the settlement date of the acquisition thereof the Issuer (or the Collateral Manager on its behalf) enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement and (III) is not convertible into or payable in any other currency;
- (c) it is not a Defaulted Obligation or a Credit Risk Obligation;
- (d) it is not a lease (including, for the avoidance of doubt, a financial lease);
- (e) it is not a Structured Finance Security or a Synthetic Security;
- (f) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;
- (g) it is not a Zero Coupon Security;

- (h) it does not constitute "margin stock" (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);
- (i) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction unless the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;
- (j) it has a Fitch Rating of not lower than "CCC" and a Moody's Rating of not lower than "Caa3";
- (k) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;
- (l) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are owed to the agent bank in relation to the performance of its duties under a Collateral Obligation; (iv) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Obligation and where the restructured Collateral 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 Obligation; or (v) which are Delayed Drawdown Collateral Obligation or Revolving Obligations, provided that, in respect of paragraph (iv) only, 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 Secured Senior Obligation, second lien loan or similar obligation;
- (m) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;
- (n) it is not a debt obligation that pays scheduled interest less frequently than semi-annually (other than, for the avoidance of doubt, PIK Securities);
- (o) it is not a debt obligation which pays interest only and does not require the repayment of principal;
- (p) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;
- (q) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;
- (r) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;
- (s) upon acquisition, both (i) the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Obligation that is a bond is held through the Custodian but not held through Euroclear or Clearstream, Luxembourg, or does not satisfy any requirements relating to collateral held in Euroclear or Clearstream, Luxembourg (as applicable) specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;
- (t) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);
- (u) it has not been called for, and is not subject to a pending, redemption;

- (v) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;
- (w) it is not a Step-Down Coupon Security;
- (x) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;
- (y) it is not a Project Finance Loan;
- (z) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the U.S. Internal Revenue Code;
- (aa) it is a "qualifying asset" for the purposes of Section 110 of the Taxes Consolidation Act 1997 of Ireland;
- (bb) the acquisition of such Collateral Obligation does not give rise to Irish stamp duty, except to the extent that stamp duty is taken into account in deciding whether to acquire it;
- (cc) it must require the consent of at least 66⅔ per cent. of the lenders to the Obligor thereunder for any change in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation) provided that in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution; and
- (dd) it is not a Collateral Obligation with an Obligor domiciled in a country with a Moody's local currency country risk ceiling below "A3".

Other than (i) Issue Date Collateral Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) Collateral Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

For the avoidance of doubt, a security that is a Step-Up Coupon Security and that otherwise meets the Eligibility Criteria shall be eligible.

"Project Finance Loan" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

- (a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and
- (b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"Synthetic Security" means a security or swap transaction (other than a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"Step-Down Coupon Security" means a security, the contractual interest rate of which decreases over a specified period of time. For the avoidance of doubt, a security will not be considered to be a Step-Down Coupon Security where interest payments decrease for non-contractual reasons due to unscheduled events such as a decrease in the index relating to a Floating Rate Collateral Obligation, the change from a default rate of interest to a non-default rate, or an improvement in the Obligor's financial condition.

"Step-Up Coupon Security" means a security the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

"Zero Coupon Security" means a security (other than a Step-Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

Restructured Obligations

In the event a Collateral Obligation becomes (as determined by the Issuer, assisted by the Collateral Manager) the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies each of the criteria comprising the Eligibility Criteria other than paragraphs (c), (i), (j), (q), (u), (w) and (bb) thereof, it is not a pre-funded letter of credit and it has a Fitch Rating (together, the **"Restructured Obligation Criteria"**).

For the avoidance of doubt, a repayment of a Collateral Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") shall be treated as the acquisition by the Issuer of a new Collateral Obligation and not as the acquisition of a Restructured Obligation.

Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed Substitute Collateral Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied, maintained or improved in connection with any such sale or reinvestment are satisfied, maintained or improved or, if any such criteria are not satisfied, maintained or improved, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all Substitute Collateral Obligations) taking into account the Eligibility Criteria, the guidelines in the Collateral Management and Administration Agreement and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Sale of Issue Date Collateral Obligations

The Collateral Manager, acting on behalf of the Issuer, shall sell any Issue Date Collateral Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a "**Non-Eligible Issue Date Collateral Obligation**"). Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

The Collateral Manager shall use commercially reasonable endeavours to effect the sale of any Equity Securities in the Portfolio, regardless of the price it receives for such Equity Securities.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Equity Securities as provided above, the Collateral Manager shall be required by the Issuer to use commercially reasonable endeavours to sell (on behalf of the Issuer) any Exchanged Equity Security which constitutes Margin Stock as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) ("**Discretionary Sales**") provided:

- (a) no Event of Default has occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);
- (b) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 30 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be); and
- (c) either:
 - (i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Obligations within 60 days after the settlement of such sale in accordance with the Reinvestment Criteria; or
 - (ii) at any time either (1) the Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of the Collateral Obligation sold (as defined below) or (2) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the expected Sale Proceeds of such sale) plus, without duplication, the amounts on deposit in the Principal 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) will be greater than (or equal to) the Reinvestment Target Par Balance.

"Investment Criteria Adjusted Balance" means with respect to a Collateral Obligation, the Principal Balance of such Collateral Obligation, provided that the Investment Criteria Adjusted Balance of:

- (a) a Deferring Security shall be the lesser of:
 - (i) its Fitch Collateral Value; and
 - (ii) its Moody's Collateral Value;
- (b) a Discount Obligation shall be the product of such obligation's:
 - (i) purchase price (expressed as a percentage of par); and
 - (ii) Principal Balance; and
- (c) a Collateral Obligation which has been included in the calculation of the CCC/Caa Excess shall be the product of its Market Value and its Principal Balance,

provided that if a Collateral Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Obligation shall be calculated using the category which results in the lowest value.

Restricted Trading Period

The Issuer or the Collateral Manager (acting on its behalf) shall promptly notify Fitch and Moody's upon the occurrence of a Restricted Trading Period.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; or (iii) the purchase of Notes of any Class by the Issuer, the Collateral Manager (acting on behalf of the Issuer) will (with regard to (ii), if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of sale of all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 6 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in clause 5 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Collateral Management and Administration Agreement (which will include any limitations or restrictions set out in the Conditions and the Trust Deed).

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment of Collateral Obligations

"Reinvestment Criteria" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and, following the expiry of the Reinvestment Period, the criteria set out below under "*Following the Expiry of the Reinvestment Period*". The Reinvestment Criteria (except satisfaction of the Eligibility Criteria) shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured (except satisfaction of the Restructured Obligation Criteria) where such restructuring has become binding on the holders thereof.

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds (with the exception of Principal Proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)) in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

- (a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase;
- (b) such obligation is a Collateral Obligation;
- (c) on and after the Effective Date (or in the case of the Interest Coverage Tests, the second Payment Date) the Coverage Tests (save for the Class E Par Value Test) are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment;
- (d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:
 - (i) the Aggregate Principal Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;
 - (ii) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations (after such sale) will be maintained or increased, when respectively compared to the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Obligations immediately prior to such sale; or
 - (iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations and provided, for such purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value); and (B) amounts standing to the credit of the Principal Account and 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;
- (e) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Improved Obligation or a Discretionary Sale either:
 - (i) the Aggregate Principal Balance of all Collateral Obligations (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance of all Collateral Obligations (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) immediately prior to the sale that generates such Sale Proceeds; or
 - (ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding all of the Collateral Obligations being sold but including, without duplication, the Collateral Obligations being purchased and the anticipated cash

proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations and provided, for such purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value); and (B) amounts standing to the credit of the Principal Account and 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 greater than the Reinvestment Target Par Balance; and

- (f) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) as calculated immediately prior to any purchase of a Substitute Collateral Obligation, if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such tests will be maintained or improved after giving effect to such reinvestment,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Unscheduled Principal Proceeds (with the exception of principal proceeds received both before and after the Reinvestment Period in connection with the acceptance of an Offer where such Offer is by way of novation or substitution, where such principal proceeds will be reinvested automatically as consideration for the novated or substitute Collateral Obligation (subject to the Restructured Obligation Criteria being satisfied)), only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

- (a) the Aggregate Principal Balance of Substitute Collateral Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or (ii) the amount of Sale Proceeds of such Credit Risk Obligation, as the case may be;
- (b) the Moody's Maximum Weighted Average Rating Factor Test is satisfied after giving effect to such reinvestment;
- (c) the Weighted Average Life Test was satisfied on the last Business Day of the Reinvestment Period and is satisfied immediately after giving effect to such reinvestment;
- (d) immediately after giving effect to such reinvestment, the Weighted Average Life is less than or equal to the Weighted Average Life as determined immediately prior to giving effect to such reinvestment;
- (e) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;
- (f) after giving effect to such reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;
- (g) a Restricted Trading Period is not currently in effect;
- (h) either: (i) each of the Portfolio Profile Tests and the Collateral Quality Tests (except the Weighted Average Life Test, the Moody's Maximum Weighted Average Rating Factor Test and the Moody's Minimum Diversity Test) are satisfied after giving effect to such reinvestment; or (ii) if any such test was not satisfied immediately prior to such investment, such test will be maintained or improved after giving effect to such reinvestment;
- (i) each of the Coverage Tests are satisfied both before and after giving effect to such reinvestment; and

- (j) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Priority of Payment on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment; 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 Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payment.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Collateral Manager, acting in a commercially reasonable manner, may conduct an auction on behalf of the Issuer of Unsaleable Assets in accordance with the procedures described in this paragraph provided that no such auction shall take place unless a redemption of the Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such auction. Promptly after receipt of written notice from the Collateral Manager of such auction, the Principal Paying Agent will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders of an auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures: (i) any Noteholder may submit a written bid within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice); (ii) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice; (iii) if no Noteholder submits such a bid within the time period specified under clause (i) above, unless the Collateral Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent will provide notice thereof to each Noteholder and the Collateral Manager shall offer to deliver (at such Noteholder's expense) a *pro rata* portion (as determined by the Collateral Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Trustee on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a *pro rata* distribution, the Collateral Administrator will distribute the Unsaleable Assets on a *pro rata* basis to the extent possible and the Collateral Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator; provided, further, that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests; and (iv) if no such Noteholder or beneficial owner provides delivery instructions to the Collateral Administrator, the Collateral Administrator will promptly notify the Collateral Manager and offer to deliver (at the cost of the Collateral Manager) the Unsaleable Asset to the Collateral Manager. If the Collateral Manager declines such offer, the Collateral Administrator will take such action as directed by the Collateral Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means. For the avoidance of doubt, any sale or delivery or other transfer or disposal of an Unsaleable Asset in the circumstances contemplated in this paragraph shall not affect the Principal Amount Outstanding of any Notes.

Amendments to Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment (a) the Collateral Obligation Stated Maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later

than the Maturity Date of the Rated Notes; and (b) the Weighted Average Life Test is satisfied. If the Issuer or the Collateral Manager (on behalf of the Issuer) has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but by way of scheme of arrangement or otherwise, the Collateral Obligation Stated Maturity has been extended, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Obligation provided that in any event the Collateral Manager shall dispose of such Collateral Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including, for this purpose, cash on deposit in the Principal 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 Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

During the Reinvestment Period, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds in an amount (such amount, the "**Required Diversion Amount**") equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) of the Interest Priority of Payments would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied shall be paid, at the discretion of the Collateral Manager (acting on behalf of the Issuer) (i) into the Principal Account as Principal Proceeds; or (ii) in redemption of the Notes in accordance with the Note Payment Sequence.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payment.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Accrued Interest

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral

Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute **"Purchased Accrued Interest"** and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager acting in a commercially reasonable manner, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the **"Initial Trading Plan Calculation Date"**) when compliance with the Reinvestment Criteria is required to be calculated (a **"Trading Plan"**) may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 10 Business Days following the date of determination of such compliance (such period, the **"Trading Plan Period"**); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; and (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation.

Eligible Investments

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Account(s), the Unfunded Revolver Reserve Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the balance standing to the credit of the Supplemental Reserve Account at the relevant time or by means of a Collateral Manager Advance. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payment.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Principal Account for allocation in accordance with the Principal Priority of Payments.

Collateral Enhancement Obligations and any income or return generated thereby are not taken into account for the purposes of determining satisfaction of, or required to satisfy, any of the Coverage Tests, Portfolio Profile Tests, Reinvestment Overcollateralisation Test or Collateral Quality Tests.

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on

behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Equity Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

"Margin Stock" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

Revolving Obligations and Delayed Drawdown Collateral Obligations

The Collateral Manager acting on behalf of the Issuer may acquire Collateral Obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a Revolving Obligation or a Delayed Drawdown Collateral Obligation, as applicable and upon receipt of a Test Request (as defined in the Collateral Management and Administration Agreement) the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

Participations

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

- (a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and
- (b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and, for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly, derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

- (a) the LSTA Model Participation Agreement for par/near par trades (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 that set out in the Trust Deed.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

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

Bivariate Risk Table

The following is the bivariate risk table (the **"Bivariate Risk Table"**) and as referred to in *"Portfolio Profile Tests"* below and *"Participations"* above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the **"Third Party Exposure"**) and the applicable percentage limits shall be determined by reference to the lower of the Fitch or Moody's ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table		
Long-Term Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
<i>Fitch</i>		
AAA	20%	20%
AA+	10%	20%
AA	10%	20%
AA-	10%	15%
A+	5%	10%
A	5%	5%
A- or below	0%	0%
Long-Term/Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
<i>Moody's</i>		
Aaa	20%	20%
Aa1	10%	20%
Aa2	10%	20%
Aa3	10%	15%
A1	5%	10%
A2 and P-1	5%	5%

A2 (without a Moody's short-term rating of at least P-1) or below

0%

0%

- * As a percentage of the Collateral Principal Amount (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

The Portfolio Profile Tests will consist of each of the following:

- (a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Obligations (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date);
- (b) not less than 60.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Loans;
- (c) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Loans, Second Lien Loans, Mezzanine Obligations and High Yield Bonds;
- (d) in the case of Secured Senior Obligations, not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor, provided that the obligations of three such Obligors may each represent up to 3.0 per cent. of the Collateral Principal Amount;
- (e) in the case of Collateral Obligations which are not Secured Senior Obligations, not more than 1.5 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;
- (f) not more than 3.0 per cent. of the Collateral Principal Amount shall be the obligations of any one such Obligor;
- (g) not more than 30.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;
- (h) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

- (i) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;
- (j) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Revolving Obligations or Delayed Drawdown Collateral Obligations;
- (k) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are CCC Obligations;
- (l) not more than 7.5 per cent. of the Collateral Principal Amount shall consist of obligations which are Caa Obligations;
- (m) not more than 3.0 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;
- (n) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Corporate Rescue Loans;
- (o) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;
- (p) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;
- (q) any three Fitch industry classifications may comprise up to 40.0 per cent. of the Collateral Principal Amount and any one Fitch industry classification may comprise up to 17.5 per cent. of the Collateral Principal Amount;
- (r) any two Moody's industry classifications may comprise up to 12.0 per cent. of the Collateral Principal Amount and any one Moody's industry classification may comprise up to 15.0 per cent. of the Collateral Principal Amount;
- (s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose Moody's Rating is derived from a S&P rating;
- (t) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by Fitch unless Rating Agency Confirmation from Fitch is obtained;
- (u) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions with a Moody's local currency country risk ceiling of "A1" or below unless Rating Agency Confirmation from Moody's is obtained;
- (v) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;
- (w) not more than 40.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans; and
- (x) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of loans originated by the Collateral Manager or an Affiliate of the Collateral Manager (provided that for the purposes of this calculation, loans that are syndicated to an initial lender group of greater than five shall not be counted as originated by the Collateral Manager or an Affiliate of the Collateral Manager, except where the Collateral Manager or an Affiliate thereof manages funds holding 40 per cent. or more of such loan).

"Bridge Loan" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings (provided, however, that any additional borrowing or refinancing having a term of more than one year may be included as a Bridge Loan if one or more financial institutions shall have provided the Obligor with a binding written commitment to provide the same); and (iii) prior to its purchase by the Issuer, has a Moody's Rating and a Fitch Rating

or, if the Bridge Loan is not rated by Moody's and Fitch, Rating Agency Confirmation has been obtained.

"Senior Secured Floating Rate Note" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon an interbank offered rate for deposits in the relevant currency and in the relevant location or a relevant reference bank's published base rate or prime rate for obligations denominated in the relevant currency and in the relevant location, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Collateral Principal Amount of such type of Collateral Obligations, excluding Defaulted Obligations. Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell, but have not yet settled, shall be excluded for the purposes of the Portfolio Profile Tests.

Further, for the purposes of calculating compliance with the Portfolio Profile Tests:

- (i) in the case of sub-paragraphs (b) to (x) (inclusive) thereof, each relevant percentage shall be rounded down to the nearest 0.1 per cent.; and
- (ii) in the case of sub-paragraph (a) thereof, the relevant percentage shall be rounded up to the nearest 0.1 per cent.

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

- (a) so long as any Notes rated by Moody's are Outstanding:
 - (i) the Moody's Minimum Diversity Test;
 - (ii) the Moody's Maximum Weighted Average Rating Factor Test; and
 - (iii) the Moody's 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 Collateral Management and Administration Agreement.

Moody's Test Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (substantially in the form set out below) (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:

- (1) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;
- (2) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns (as applicable)) in which the elected case is set out; and
- (3) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Trustee, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Spread Test, taking into account the case that the Collateral Manager has elected to apply under the Fitch Tests Matrix) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply. The Moody's Test Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Moody's and the consent of the Controlling Class acting by Ordinary Resolution.

Moody's Test Matrix

Spread \ Diversity Score	25	30	32	34	36	38	40	42	44	46	50
3.00%	2170	2230	2270	2285	2310	2320	2330	2335	2340	2360	2380
3.25%	2270	2375	2405	2430	2465	2480	2505	2525	2540	2560	2570
3.50%	2380	2475	2510	2550	2565	2600	2620	2650	2660	2680	2715
3.75%	2480	2565	2600	2640	2690	2705	2735	2755	2780	2800	2815
3.80%	2525	2590	2625	2665	2715	2730	2760	2780	2805	2820	2850
3.90%	2550	2620	2655	2695	2745	2765	2800	2825	2845	2860	2885
4.00%	2600	2650	2685	2725	2775	2825	2840	2860	2880	2900	2925
4.10%	2630	2680	2715	2755	2805	2855	2890	2905	2925	2945	2970
4.25%	2680	2755	2790	2830	2880	2910	2940	2965	2990	3010	3035
4.50%	2740	2815	2850	2890	2940	2960	2990	3015	3040	3060	3100

Fitch Tests Matrix

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management and Administration Agreement (substantially in the form set out below) (the "**Fitch Tests Matrix**") shall be applicable for 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:

- (1) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column in the Fitch Tests Matrix selected by the Collateral Manager;

- (2) the applicable row for performing the Minimum Weighted Average Spread Test will be the row in the Fitch Tests Matrix selected by the Collateral Manager; and
- (3) the applicable column and row for performing the Fitch Minimum Weighted Average Recovery Rate Test will be the column and row in the Fitch Tests Matrix selected by the Collateral Manager in relation to (1) and (2) above.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on two Business Days' notice to the Issuer, the Collateral Administrator and Fitch, the Collateral 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 Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Tests Matrix may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch and the consent of the Controlling Class acting by Ordinary Resolution.

Fitch Tests Matrix

Spread\WARF	28	29	30	31	32	33	34	35	36	37	38	39	40	41
3.00%	72.59%	73.49%	74.38%	75.89%	77.41%	78.33%	79.91%	81.50%	83.00%	84.50%	85.25%	86.00%	87.00%	88.00%
3.25%	69.41%	70.51%	71.61%	73.36%	75.12%	76.14%	77.60%	79.06%	80.84%	82.62%	83.67%	84.71%	85.78%	86.85%
3.50%	66.24%	67.54%	68.83%	70.83%	72.83%	73.96%	75.29%	76.62%	78.68%	80.74%	82.09%	83.43%	84.56%	85.70%
3.75%	63.17%	64.55%	65.94%	67.27%	68.61%	69.83%	71.58%	73.34%	75.69%	78.05%	79.68%	81.31%	82.83%	84.35%
3.80%	62.56%	63.96%	65.36%	66.56%	67.77%	69.00%	70.84%	72.68%	75.10%	77.51%	79.20%	80.89%	82.49%	84.09%
3.90%	61.09%	62.41%	63.74%	65.08%	66.42%	67.83%	69.19%	70.54%	73.52%	76.49%	78.50%	80.50%	81.84%	83.19%
4.00%	60.10%	61.36%	62.62%	64.07%	65.51%	66.92%	68.34%	69.77%	72.85%	75.94%	77.82%	79.70%	81.21%	82.72%
4.10%	59.12%	60.31%	61.50%	63.05%	64.60%	66.00%	67.50%	69.00%	72.19%	75.38%	77.14%	78.90%	80.58%	82.26%
4.25%	57.57%	58.79%	60.01%	61.57%	63.13%	64.57%	66.32%	68.07%	70.83%	73.60%	75.57%	77.53%	79.38%	81.22%
4.50%	55.00%	56.27%	57.53%	59.11%	60.68%	62.18%	64.34%	66.51%	67.81%	69.11%	72.19%	75.26%	77.38%	79.50%

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 Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding the result down to the nearest two decimal places.

"Fitch Rating Factor" means, in respect of any Collateral Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral 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
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 Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding up to the nearest 0.1 per cent.

"Fitch Recovery Rate" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (i) to (iii) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

- (i) if such Collateral 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 Collateral 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 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 Collateral Manager 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

- (iii) if such Collateral 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 Collateral Manager and has no public S&P recovery rating, (x) if such Collateral Obligation is a Secured Senior Bond, the recovery rate applicable to such Secured Senior Bond shall be the recovery rate corresponding to the Fitch recovery rating of "RR3" in the table above and (y) otherwise, the recovery rate determined in accordance with the table below, where the Collateral Obligation shall be categorised as "Strong Recovery" if it is a Secured Senior Obligation, "Moderate Recovery" if it is an Unsecured Senior Loan or High Yield Bond 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 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 U.S.

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.

Moody's Minimum Diversity Test

The "Moody's Minimum Diversity Test" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled "Minimum Diversity Score" in the Moody's Test Matrix based upon the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The "**Diversity Score**" is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody's uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows and rounding the result up to the nearest whole number (provided that no Defaulted Obligations shall be included in the calculation of the Diversity Score or any component thereof):

- (a) an "**Average Principal Balance**" is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;
- (b) an "**Obligor Principal Balance**" is calculated for each Obligor represented in the Collateral Obligations by summing the Principal Balances of all Collateral Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Obligations or distributed to the Noteholders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Obligation had not been sold or was not subject to such an optional redemption or Offer;
- (c) an "**Equivalent Unit Score**" is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;
- (d) an "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the 32 Moody's industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and
- (e) an "**Industry Diversity Score**" is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the "**Diversity Score Table**") for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligor's Affiliated with one another will be considered to be one Obligor.

Diversity Score Table

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

Moody's Maximum Weighted Average Rating Factor Test

The "**Moody's Maximum Weighted Average Rating Factor Test**" will be satisfied as at any Measurement Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor as at such Measurement Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Measurement Date plus (ii) the Moody's Weighted Average Recovery Adjustment, *provided, however*, that the sum of (i) and (ii) may not exceed 3,900.

The "**Moody's Weighted Average Rating Factor**" is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Obligations, excluding Defaulted Obligations, and rounding the result down to the nearest whole number.

The "**Moody's Rating Factor**" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The **"Moody's Weighted Average Recovery Adjustment"** means, as of any Measurement Date, the greater of:

- (a) zero; and
- (b) the product of:
 - (i) (A) the Weighted Average Moody's Recovery Rate as of such Measurement Date multiplied by 100 minus (B) 42; and
 - (ii) (A) with respect to the adjustment of the Moody's Maximum Weighted Average Rating Factor Test, 70 and (B) with respect to adjustment of the Minimum Weighted Average Spread, 0.1 per cent.; provided that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody's Recovery Rate shall equal 60 per cent. unless the Rating Agency Confirmation from Moody's is received,

provided further that the amount specified in clause (b)(i) above may only be allocated once on any Measurement Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

"Adjusted Weighted Average Moody's Rating Factor" means, as of any Measurement Date, a number equal to the Moody's Weighted Average Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Moody's Weighted Average Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory and rounding the result down to the nearest whole number.

Moody's Minimum Weighted Average Recovery Rate Test

The **"Moody's Minimum Weighted Average Recovery Rate Test"** will be satisfied, as at any Measurement Date from (and including) the Effective Date, if the Weighted Average Moody's Recovery Rate is greater than or equal to (i) 42 per cent. minus (ii) the Moody's Weighted Average Rating Factor Adjustment, provided however that the sum of (i) and (ii) may not be less than 35 per cent.

The **"Weighted Average Moody's Recovery Rate"** means, as of any Measurement Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding Defaulted Obligations) by its corresponding Moody's Recovery Rate and dividing such sum by the Aggregate Principal Balance (excluding Defaulted Obligations) and rounding the result up to the nearest 0.1 per cent.

The "**Moody's Recovery Rate**" means, in respect of each Collateral Obligation, the Moody's recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Moody's. Extracts of the Moody's Recovery Rate applicable under the Collateral Management and Administration Agreement are set out in Annex A of this Prospectus.

The "**Moody's Weighted Average Rating Factor Adjustment**" means an amount, expressed as a percentage, as of any Measurement Date equal to the greater of:

- (a) zero; and
- (b) the number obtained by dividing:
 - (i) (A) the number set forth in the Moody's Test Matrix at the intersection of the applicable "row/column" combination chosen by the Collateral Manager (acting on behalf of the Issuer) (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), as at such Measurement Date minus (B) the Adjusted Weighted Average Moody's Rating Factor; by
 - (ii) 50;and dividing the result by 100.

Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years, equal to the greater of:

- (a) zero; and
- (b) the difference between:
 - (i) eight; and
 - (ii) the number of full calendar quarters that have elapsed since the Issue Date as at such Measurement Date; divided by four.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations and Deferring Securities, the number of years (rounded down to the nearest one-hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one-hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

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 Collateral Manager; and

- (b) the weighted average spread (expressed as a percentage) applicable to the current Moody's Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody's Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 3 per cent.

The "**Weighted Average Spread**", as of any Measurement Date, is the number obtained by dividing:

- (a) the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) the Aggregate Excess Funded Spread; by
- (b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date,

in each case for the purposes of calculating the Weighted Average Spread, the spread of any Collateral Obligation shall exclude (i) any amount which the Issuer or the Collateral Manager has actual knowledge that payment of interest on such Collateral Obligation which is due and payable will not be paid by the Obligor thereof and (ii) any interest that will be withheld because of tax reasons and which is neither grossed up nor recoverable under any applicable double tax treaty.

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 Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR multiplied by (ii) the outstanding principal balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);
- (b) in the case of each Floating Rate Collateral Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR-based index, (i) the excess of the sum of such spread and such index over EURIBOR with respect to the Rated Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the outstanding principal balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Obligation);
- (c) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction multiplied by (ii) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate; and
- (d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including, for any Mezzanine Obligation, only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Obligation) and which is not subject to a Currency Hedge Transaction, the difference between (i) the interest amount payable by the relevant obligor converted to Euro at

the applicable Spot Rate, and (ii) the product of (x) EURIBOR multiplied by (y) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Spot Rate.

If a Collateral Obligation is subject to a floor, the margin shall include, if positive: (x) the EURIBOR (or such other floating rate of interest) floor value minus (y) EURIBOR (or such other floating rate of interest) applicable in respect of such Collateral Obligation on such Measurement Date.

Further, the margin shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest margin that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

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 Obligation (other than Defaulted Obligations and Deferring Securities), the current per annum rate payable by way of such commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Obligation as of such date.

The **"Aggregate Excess Funded Spread"** is, as of any Measurement Date, the amount obtained by multiplying:

- (a) the EURIBOR applicable to the Rated Notes during the Accrual Period in which such Measurement Date occurs; by
- (b) the amount (not less than zero) equal to (i) the aggregate outstanding principal balance of the Collateral Obligations (excluding (x) for any Deferring Security, any interest that has been deferred and capitalised thereon and (y) 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 outstanding principal balance of (i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the Currency Hedge Transaction Exchange Rate and (ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the Euro equivalent of the outstanding principal amount of the reference Non-Euro Obligation, converted into Euro at the applicable Spot Rate.

The **"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 Coupon over the Minimum Weighted Average Coupon by (b) the number obtained by dividing the aggregate outstanding principal balance of all Fixed Rate Collateral Obligations by the aggregate outstanding principal balance of all Floating Rate Collateral 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.

The **"Minimum Weighted Average Fixed Coupon"** means (i) if any of the Collateral Obligations are Fixed Rate Collateral Obligations 5.0 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 Obligations as of such Measurement Date,

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations and in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty 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 Obligation which is a Non-Euro Obligation and subject to a Currency Hedge Transaction, and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Currency Hedge Transaction Exchange Rate, (ii) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation which is not subject to a Currency Hedge Transaction and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, an amount equal to the Euro equivalent of the product of (x) stated coupon on such Collateral Obligation expressed as a percentage and (y) the outstanding principal balance of such Non-Euro Obligation, converted into Euro at the applicable Spot Rate; and (iii) with respect to all other Fixed Rate Collateral Obligations and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Obligation (including, for any Deferring Security, only the required current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the outstanding principal balance of such Collateral Obligation.

Further, the coupon shall be deemed to be (x) in respect of a Step-Down Coupon Security, the lowest coupon that is permissible pursuant to and in accordance with the Underlying Instruments relating thereto; and (y) in respect of a Step-Up Coupon Security, the margin applicable as at the relevant Measurement Date.

"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 outstanding principal balance of all Floating Rate Collateral Obligations by the aggregate outstanding principal balance of all Fixed Rate Collateral Obligations.

Rating Definitions

Moody's Ratings Definitions

"Moody's Default Probability Rating" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

- (a) if the Obligor of such Collateral Obligation has a CFR, then such CFR;
- (b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on such obligation as selected by the Collateral Manager in its sole discretion;
- (c) if not determined pursuant to clauses (a) or (b) above, if the Obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;
- (d) if not determined pursuant to clauses (a), (b), or (c) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such

rating estimate has been issued or provided by Moody's in each case within the 15 month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided*, that if such rating estimate has been issued or provided by Moody's for a period (x) longer than 13 months but not beyond 15 months, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate and (y) beyond 15 months, the Moody's Default Probability Rating will be deemed to be "Caa3";

- (e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody's Derived Rating; and
- (f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, the Collateral Obligation will be deemed to have a Moody's Default Probability Rating of "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"Assigned Moody's Rating" means the monitored publicly available rating or the monitored estimated rating or the unpublished monitored loan rating, in each case expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

"CFR" means, with respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; *provided*, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"Moody's Derived Rating" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating is determined as the Moody's Derived Rating, the rating as determined in the manner set forth below:

- (a) with respect to any Corporate Rescue Loan and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) any Current Pay Obligation, the Moody's Rating or Moody's Default Probability Rating of such Collateral Obligation shall be the rating which is one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan or Current Pay Obligation, as applicable, rated by Moody's;
- (b) if not determined pursuant to clause (a) above, then by using any one of the methods provided below:
 - (i) pursuant to the table below:

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	\geq "BBB-"	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	\leq "BB+"	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

- (ii) if such Collateral Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in sub-clause (b)(i) above, and the Moody's Derived Rating for purposes of the definitions of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will

be determined in accordance with the methodology set forth in the following table (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub-clause (b)(ii)):

Obligation Category of parallel security	Rating of parallel security	Number of subcategories relative to rated security rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

- (iii) or, if such Collateral Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; *provided*, that the Aggregate Principal Balance of the Collateral Obligations that may have a Moody's Rating derived from an S&P Rating as set forth in sub-clauses (i) or (ii) of this clause (b) may not exceed 10 per cent. of the Collateral Principal Amount; and
- (c) if not determined pursuant to clauses (a) or (b) above and such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating of such Collateral Obligation for purposes of the definitions of Moody's Rating or Moody's Default Probability Rating shall be (i) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this clause (c) and clause (a) above does not exceed 5 per cent. of the Collateral Principal Amount or (ii) otherwise, "Caa1".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"Moody's Rating" means:

- (a) with respect to a Collateral Obligation that is a Secured Senior Loan or a Secured Senior Bond:
 - (i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;
 - (ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;
 - (iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
 - (iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and
 - (v) if none of clauses (i) through (iv) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and
- (b) with respect to a Collateral Obligation other than a Secured Senior Loan or a Secured Senior Bond:

- (i) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;
- (ii) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
- (iii) if neither clause (i) nor (ii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;
- (iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
- (v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and
- (vi) if none of clauses (i) through (v) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Obligation will be determined in accordance with the below (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

- (a) with respect to any Collateral Obligation in respect of which there is a Fitch issuer default rating, whether public or privately provided to the Collateral Manager following notification by the Collateral Manager that the Issuer has entered into a binding commitment to acquire such Collateral Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;
- (b) 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;
- (c) 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;
- (d) if in respect of the Collateral 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;
- (e) if in respect of the Collateral Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;
- (f) if in respect of the Collateral 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;
- (g) if a Fitch Rating cannot otherwise be assigned, the Collateral 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 Obligation shall either be deemed to have

a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) 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

- (h) if such Collateral 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; and
 - (ii) otherwise the Issuer or the Collateral 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 Collateral Manager believing (in its reasonable judgement) 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 (i) if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Obligation shall be treated as "D", (ii) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC", and provided further that (x) if the applicable Collateral Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch, and (y) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral 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	Below "Ba2", but at or above "Ca"	-2
Senior, senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated, junior subordinated or senior	Fitch, Moody's or	"B+/"B1" or above	+1

subordinated	S&P		
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B"/"B2" or below	+2

"Insurance Financial Strength Rating" means, in respect of a Collateral 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 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 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 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 Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

The Coverage Tests

The Coverage Tests will consist of the Class A Par Value Test, the Class B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class A Interest Coverage Test, the Class B Interest Coverage Test, the Class C Interest Coverage Test and the Class D Interest Coverage Test. The Coverage Tests will be used primarily to determine whether interest may be paid on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Obligations, or whether Interest Proceeds which would otherwise be used to pay interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes must instead be used to pay principal on the Notes in accordance with the Note Payment Sequence, in each case to the extent necessary to cause the Coverage Tests relating to the relevant Class of Notes to be met.

Each of the Class A Par Value Test, the Class A Interest Coverage Test, the Class B Par Value Test, the Class 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 and the Class E Par Value Test shall apply on a Measurement Date (i) on and after the Effective Date in respect of the Par Value Tests (save for the Class E Par Value Test), (ii) in the case of Class E Par Value Test following the expiry of the Reinvestment Period, and (iii) on and after the Determination Date immediately preceding the second Payment Date in the case of each Interest Coverage Test and shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A Par Value	130.85
Class A Interest Coverage	120.00
Class B Par Value	121.29
Class B Interest Coverage	110.00
Class C Par Value	114.46
Class C Interest Coverage	105.00
Class D Par Value	106.11
Class D Interest Coverage	101.00
Class E Par Value	103.72

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description of the Collateral Management and Administration Agreement consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Prospectus shall have the meaning given to them in the Collateral Management and Administration Agreement.

General

The Collateral Manager will perform certain investment management functions, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. The Collateral Management and Administration Agreement contains procedures whereby the Collateral Manager will have discretionary authority of the Issuer in relation to the composition, acquisition and management of the Portfolio.

Standard of Care of the Collateral Manager

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will agree with the Issuer that it will perform its obligations, duties and discretions under the Collateral Management and Administration Agreement, with reasonable care and in good faith, in a manner consistent with practices and procedures followed by reputable institutional managers of international standing relating to assets of the nature and character of the Collateral (the "**Standard of Care**"). To the extent not inconsistent with the foregoing, the Collateral Manager will follow its customary and usual administrative policies and procedures in performing its duties under the Collateral Management and Administration Agreement.

Responsibilities of the Collateral Manager, Indemnities

The Collateral Manager and Collateral Manager Related Persons, will not be liable (whether directly or indirectly, in contract or tort or otherwise) to the Issuer, the Trustee or the holders of the Notes or any other Person for any loss incurred by the Issuer, the Trustee, the Noteholders or any other Person that arise out of or in connection with the performance by the Collateral Manager of its duties in accordance with the Standard of Care under the Collateral Management and Administration Agreement, except by (a) reason of acts or omissions constituting fraud, bad faith, wilful misconduct, wilful default or negligence in the performance, or reckless disregard, of its obligations under the express terms of the Collateral Management and Administration Agreement or (b) by reason of any information provided by the Collateral Manager for inclusion in this Prospectus containing any untrue statement of material fact or omitting to state a material fact necessary in order to make such statements, in the light of the circumstances under which they were made, not misleading (together, "**Collateral Manager Breaches**"). In no event will the Collateral Manager be liable for any consequential loss. Other than to the extent resulting from a Collateral Manager Breach, the Collateral Manager, any Collateral Manager Related Person and their shareholders, directors, officers, members, attorneys, advisors, agents and employees will be entitled to indemnification by the Issuer in relation, *inter alia*, to the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement or the incurrance of any liabilities incurred in connection therewith, which will be payable in accordance with the Priorities of Payment.

The Collateral Manager shall indemnify the Issuer in respect of any Collateral Manager Breaches except for any loss incurred by fraud, wilful misconduct or negligence by the Issuer.

Retention Requirements

Under the Collateral Management and Administration Agreement, the Collateral Manager will:

- (a) undertake to retain a material net economic interest of not less than five per cent. of the nominal value of each Class of Notes by subscribing for and holding, on an ongoing basis, and for so long as any Notes are Outstanding, no less than five per cent. of the Principal Amount Outstanding of each Class of Notes (such Notes being the "**Retention Notes**") (such

subscription to take place on the Issue Date on the terms as set out in the Retention Note Purchase Deed);

- (b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, subject as provided below;
- (c) subject to any regulatory requirements, agree (i) to take such further reasonable action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, 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, promptly upon the request of the Trustee, the Collateral Administrator, Initial Purchaser or Issuer, its continued compliance with the covenants set out at paragraphs (a) and (b) above;
- (e) agree that it shall promptly notify the Issuer, the Trustee and the Collateral Administrator if for any reason it (i) ceases to hold the Retention Notes in accordance with (a) above or (ii) fails to comply with the covenants set out in (b) or (c) in any material way; and
- (f) represent and warrant that (i) it is a CRR Investment Firm and (ii) it is a "sponsor" for the purposes of Article 405 of the CRR and will continue to retain the Retention Notes pursuant to paragraph (a) above and in accordance with paragraph (b) above in such capacity.

If a successor Collateral Manager is appointed as described in "*Appointment of Successor*" below, then notwithstanding the above, the Collateral Manager may sell the Retention Notes to such successor (at a price agreed by the parties to such sale) except to the extent such a sale:

- (i) is restricted by the Retention Requirements; or
- (ii) would cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements,

and such successor shall, by way of entry into of the Collateral Management and Administration Agreement commit to acquire and retain the Retention Notes and provide representations, warranties and covenants on the same terms as those set out in the Collateral Management and Administration Agreement in relation to the Retention Requirements.

If a successor Collateral Manager is appointed as described in "*Appointment of Successor*" below and the outgoing Collateral Manager does not sell the Retention Notes, such outgoing Collateral Manager shall continue to be bound by the provisions of the Collateral Management and Administration Agreement in respect of the Retention Notes and such provisions shall not apply to such successor.

Prospective investors should consider the discussion in "*Risk Factors – Risk Retention in Europe*" above.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager (and/or, at its direction, a Collateral Manager Related Person) will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.15 per cent. per annum (calculated semi-annually and on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) relating to the applicable Payment Date, which collateral management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priority of Payments (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement provides that the Collateral Manager (and/or, at its direction, a Collateral Manager Related Person) will receive from the Issuer on each

Payment Date a subordinated collateral management fee equal to 0.35 per cent. per annum (calculated semi-annually and on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Collateral Principal Amount measured as of the first day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the **"Subordinated Management Fee"**).

Each of the Senior Management Fee and the Subordinated Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and, subject to the paragraph below, shall not include any value added tax payable on such Senior Management Fee and the Subordinated Management Fee. In the event that any supply to which the Senior Management Fee or the Subordinated Management Fee relates is or becomes subject to value added tax payable by the Collateral Manager, then an amount equal to such value added tax will be paid by the Issuer to the Collateral Manager in addition to such Senior Management Fee or Subordinated Management Fee against delivery of a valid value added tax invoice, provided that the Collateral Manager may agree to bear and not receive amounts in respect of such value added tax (so that the Senior Management Fee or the Subordinated Management Fee is paid inclusive of value added tax).

If amounts distributable on any Payment Date in accordance with the Priorities of Payment are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or Subordinated Management Fee, as applicable, equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payment.

The Collateral Management and Administration Agreement also provides that the Collateral Manager (and/or, at its discretion, a Collateral Manager Related Person) will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, such fee being in an amount equal to and payable from 20 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payment and shall not include any value added tax payable on such Incentive Collateral Management Fee. In the event that any supply to which the Incentive Collateral Management Fee relates is or becomes subject to value added tax payable by the Collateral Manager, then an amount equal to such value added tax will be paid by the Issuer to the Collateral Manager in addition to such Incentive Collateral Management Fee against delivery of a valid value added tax invoice, provided that the Collateral Manager may agree to bear and not receive amounts in respect of such value added tax (so that the Incentive Collateral Management Fee is paid inclusive of value added tax).

The Collateral Manager may elect to defer any Senior Management Fees and Subordinated Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payment. To the extent that the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Senior Management Fee and/or Subordinated Management Fee so deferred, as applicable, will be payable on subsequent Payment Dates in accordance with the Priorities of Payments. Any due and unpaid Collateral Management Fees (excluding any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) shall accrue interest at a rate per annum equal to six month EURIBOR (calculated on the basis of a 360 day year consisting of twelve 30 day months from the date due and payable to the date of actual payment). In accordance with Condition 3(c) (*Priorities of Payment*), the Collateral Manager may, in its sole discretion, elect to designate that the Senior Management Fee, Subordinated Management Fee and/or Incentive Collateral Management Fee be designated for reinvestment or deferred to be used to purchase Substitute Collateral Obligations. Furthermore, the Collateral Manager may elect to irrevocably waive any Collateral Management Fees. Any amounts so waived shall no longer fall due to the Collateral Manager and shall be applied in accordance with the Priorities of Payment.

Unless otherwise specified in the Collateral Management and Administration Agreement or in the Trust Deed, the Collateral Manager shall be responsible for its ordinary rent, office expenses and employee salaries incurred in connection with the performance of its obligations pursuant to the Collateral Management and Administration Agreement. Except as set forth in the preceding sentence, to the extent funds are available therefor in accordance with the Priorities of Payment, the Collateral Manager will be paid and reimbursed by the Issuer, for all reasonable costs and expenses whatsoever (but

excluding any recoverable value added tax) incurred by the Collateral Manager in connection with entering into the Collateral Management and Administration Agreement and the performance of its obligations thereunder or incurred in connection with the transactions contemplated by the Collateral Management and Administration Agreement or the Trust Deed, including, without limitation, any and all of the following, whether incurred by the Collateral Manager before or after the Issue Date, (i) rating agency expenses, (ii) specialty and custom software expenses for the monitoring of the Collateral Obligations, Eligible Investments and other assets of the Issuer, (iii) the fees and disbursements of the Collateral Manager and its counsel with respect to the offering and sale of the Notes, (iv) the expenses of employing outside lawyers or consultants in connection with the restructuring of any Collateral Obligation, (v) the fees payable to the Collateral Administrator under the Collateral Management and Administration Agreement, (vi) the expenses of employing outside lawyers to provide advice with respect to Irish law in connection with the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement, (vii) the fees and expenses of employing outside lawyers to provide advice with respect to any provisions of the Trust Deed or the Collateral Management and Administration Agreement, including any amendment or waiver thereto or hereto, (viii) the reasonable expenses of exercising observation rights (including through a representative) pursuant to the Collateral Management and Administration Agreement, (ix) data services fees of the Collateral Manager of up to €75,000 per annum, (x) reasonable costs and expenses incurred in connection with any action taken with respect to the Collateral Obligations, Eligible Investments and other assets of the Issuer (including, without limitation, costs and expenses incurred with respect to potential investments by the Issuer, even if such investment is not made by or on behalf of the Issuer, and brokerage commissions), (xi) preparing reports to holders of the Notes, (xii) reasonable travel expenses (including without limitation airfare, meals, lodging and other transportation) undertaken in connection with the performance by the Collateral Manager of its duties pursuant to the Collateral Management and Administration Agreement or the other Transaction Documents (including, for the avoidance of doubt, travel expenses incurred in connection with the attendance of the Collateral Manager's officers and employees at any bank meetings), (xiii) the reasonable costs and expenses in connection with any investor conferences and (xiv) the fees and expenses of employing outside lawyers or consultants in connection with applicable English law. Notwithstanding the foregoing, in the event the Collateral Manager has documented fees or expenses that are allocable to one or more entities in addition to the Issuer to which the Collateral Manager provides management or advisory services, the Issuer shall be responsible for only a *pro rata* portion of such fees and expenses, based on the aggregate assets under management of all entities to which such costs or expenses are allocable. All obligations of the Issuer to pay expenses to the Collateral Manager under the Collateral Management and Administration Agreement shall be subject to, and payable only in accordance with, the Priorities of Payment.

If the Collateral Management and Administration Agreement is terminated or the Collateral Manager resigns or is removed pursuant to the Collateral Management and Administration Agreement or otherwise, the Collateral Management Fee shall be pro-rated for any partial periods between Payment Dates during which the Collateral Management and Administration Agreement was in effect and shall be due and payable on the first Payment Date following the date of such termination or removal subject to the Priorities of Payment. In addition, all Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts shall be due and payable upon the first Payment Date following the date of such termination or resignation or removal and the Collateral Manager shall be entitled to the same.

Cross Transactions and Affiliate Transactions

The Collateral Manager and its Collateral Manager Related Persons may at certain times seek to purchase or sell investments from or to the Issuer as principal. Under the Collateral Management and Administration Agreement, the Collateral Manager, at its option and sole discretion, may effect principal transactions between such entities. In addition, the Collateral Manager and its Collateral Manager Related Persons will be authorised to engage in certain cross transactions, including "agency cross" transactions (i.e. transactions in which either the Collateral Manager or one of its Collateral Manager Related Persons or another person acts as a broker for both the Issuer and another person on the other side of the same transaction, which person may be an account or client for which the Collateral Manager or any Collateral Manager Related Person 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 therein relating to cross transactions and principal transactions. The Collateral Manager or its Collateral Manager Related Persons 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 — Conflicts of Interest"*.

The Collateral Manager may also conduct transactions for its own account, for the account of its Collateral Manager Related Persons, 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 – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to the Collateral Manager and its Affiliates"*. Without limiting the foregoing but subject to compliance with the Collateral Manager's best execution policy and acquisition standards, the Collateral Manager, on behalf of and for the account of the Issuer, may sell Collateral Obligations to, or buy Collateral Obligations from, the Collateral Manager, any Collateral Manager Related Person, or any fund managed by the Collateral Manager (some or all of which Collateral Manager Related Persons or funds may be owned in part by principals, partners, members, directors, managers, managing directors, officers, employees, agents or Affiliates of the Collateral Manager) in transactions in which the Collateral Manager, a Collateral Manager Related Person or such fund acts as principal on the other side of the transaction from the Issuer and buys or sells the Collateral Obligations for its own account, provided that such affiliate transactions shall be made in accordance with the affiliate transaction procedures set forth in the Collateral Management and Administration Agreement.

Removal for Cause

Subject to the paragraph below, the Collateral Management and Administration Agreement may be terminated, and the Collateral Manager may be removed, for cause upon at least 30 days' prior written notice by (i) the Issuer at its discretion; or (ii) the Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction) at the direction of the holders of (A) the Subordinated Notes, acting by Extraordinary Resolution or (B) the Controlling Class, acting by Extraordinary Resolution (in each case, excluding any CM Removal and Replacement Non-Voting Notes and any Notes held by the Collateral Manager or a Collateral Manager Related Person), provided that notice of such removal shall have been given to the holders of each Class of the Notes by the Issuer or the Trustee, as the case may be, in accordance with the Collateral Management and Administration Agreement. For purposes of any such termination of the Collateral Management and Administration Agreement, **"cause"** means any one of the following events:

- (i) the Collateral Manager wilfully violates the Collateral Management and Administration Agreement or any other Transaction Document to which it is a party or takes any action that it knows is in material breach of any provision (unrelated to the economic performance of the Collateral Obligations) of the Collateral Management and Administration Agreement or any other Transaction Document applicable to the Collateral Manager;
- (ii) the Collateral Manager breaches in any respect any material provision of the Collateral Management and Administration Agreement applicable to it (other than as specified in paragraph (i) above) which breach (i) has a material adverse effect on the Issuer or the interests of the Noteholders of any Class and (ii) if capable of being cured, is not cured within 30 days of the Collateral Manager becoming aware of, or the Collateral Manager receiving notice from the Trustee of, such breach or, if such breach is not capable of cure within 30 days but is capable of being cured within a longer period, the Collateral Manager fails to cure such breach within the period in which a reasonably prudent person could cure such breach (but in no event more than 60 days). Upon becoming aware of any such breach, the Collateral Manager shall give written notice thereof to the Issuer and the Trustee;
- (iii) the Collateral Manager is wound up or dissolved (other than pursuant to a consolidation, amalgamation or merger) or there is appointed over it or a substantial part of its assets a receiver, administrator, administrative receiver, trustee or similar officer; or the Collateral Manager (i) ceases to be able to, or admits in writing that it is unable to pay its debts as they become due and payable, or makes a general assignment for the benefit of, or enters into any composition or arrangement with, its creditors generally; (ii) applies for or consents (by admission of material allegations of a petition or otherwise) to the appointment of a receiver, administrator, trustee, assignee, custodian, liquidator or sequestrator (or other similar official)

of the Collateral Manager or of any substantial part of its properties or assets, or authorises such an application or consent, or proceedings seeking such appointment are commenced against the Collateral Manager in good faith without such authorisation, consent or application and either continue undismissed for 60 days or any such appointment is ordered by a court or regulatory body having jurisdiction; (iii) authorises or files a voluntary petition in bankruptcy, or applies for or consents (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganisation, arrangement, readjustment of debt, insolvency, dissolution, or similar law, or authorises such application or consent, or proceedings to such end are instituted against the Collateral Manager in good faith without such authorisation, application or consent and remain undismissed for 60 days or result in adjudication of bankruptcy or insolvency or the issuance of an order for relief; or (iv) permits or suffers all or any substantial part of its properties or assets to be sequestered or attached by court order and the order remains undismissed for 60 days;

- (iv) the occurrence of an Event of Default specified in paragraph (a)(i) (*Non payment of interest*) or paragraph (a)(ii) (*Non payment of principal*) of Condition 10 (*Events of Default*) which default is directly the result of any act or omission of the Collateral Manager resulting from a breach of the Collateral Manager's duties under the Collateral Management and Administration Agreement or any other Transaction Document, which breach or default is not cured within any applicable cure period set forth in the Conditions; or
- (v) any action is taken by the Collateral Manager, or any of its senior executive officers involved in its leveraged investment business, that constitutes fraud or criminal activity in the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement or its other collateral management activities, or the Collateral Manager (or any senior officer of the Collateral Manager involved in its leveraged investment business) being found guilty of having committed a criminal offence materially related to the management of investments similar in nature and character to those which comprise the Collateral.

Pursuant to the terms of the Collateral Management and Administration Agreement, if the Collateral Manager becomes aware that any of the events specified in clauses (i) through (v) (inclusive) above have occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the holders of all outstanding Notes and each Rating Agency upon the Collateral Manager becoming aware of the occurrence of such event.

Any such removal is without prejudice and subject to fulfilment of the Collateral Manager's obligations in respect of the Retention Notes (unless the same are transferred in accordance with the Collateral Management and Administration Agreement (as described herein)).

The Collateral Management and Administration Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes, in accordance with their terms, (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

Resignation

The Collateral Manager may resign, upon at least 90 days' written notice to the Issuer, the Trustee, the Collateral Administrator and each Rating Agency (or upon such shorter notice as is acceptable to the Issuer). The Collateral Manager may resign its appointment hereunder upon shorter notice whether or not a replacement Collateral Manager has been appointed where there is a change in law or the application of any applicable law which makes it illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement. Any such resignation is without prejudice and subject to fulfilment of the Collateral Manager's obligations in respect of the Retention Notes (unless the same are subsequently transferred in accordance with the Collateral Management and Administration Agreement (as described herein)).

Collateral Manager Tax Event

The Collateral Manager may be removed by the Issuer if it has not changed the location from which it provides its collateral management services under the terms of the Collateral Management and Administration Agreement or otherwise remedied or eliminated the occurrence of a Collateral Manager Tax Event, in each case, within 90 days of the date that the Collateral Manager first becomes aware of a Collateral Manager Tax Event (where "**Collateral Manager Tax Event**" means that the Issuer has become subject either (a) to any United Kingdom tax liability or (b) to any U.S. federal income tax on a net income basis (or there being a substantial likelihood that the Issuer will become subject to such U.S. federal income tax) (in each case, provided (i) the amount in question is over €1,000 per annum; and (ii) that such 90 day period shall be extended by a further 90 days if the Collateral Manager has notified the Issuer and the Trustee before the end of the first 90 day period that it expects to have changed the place from which it provides its collateral management services under the terms of the Collateral Management and Administration Agreement or that it is otherwise able to remedy or eliminate the circumstances giving rise to such Collateral Manager Tax Event); provided that a change in the location of the Collateral Manager or other action is required only if such a change or action would cure the occurrence (or reduce the severity of the consequences) of a Collateral Manager Tax Event; provided further that if a change in location of the Collateral Manager or other action taken by the Collateral Manager cannot cure the occurrence of a Collateral Manager Tax Event but replacing the Collateral Manager may cure the occurrence of a Collateral Manager Tax Event (or may significantly reduce the severity of the consequences of a Collateral Manager Tax Event), the Collateral Manager may be removed by the Issuer. Any such removal is without prejudice and subject to fulfilment of the Collateral Manager's obligations in respect of the Retention Notes (unless the same are subsequently transferred in accordance with the Collateral Management and Administration Agreement (as described herein)).

Appointment of Successor

Upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management and Administration Agreement and except as provided for under a Collateral Manager Tax Event above), the Collateral Manager will continue to act in such capacity until a successor collateral manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement, including receipt of Rating Agency Confirmation in respect thereof (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment). The successor collateral manager will be selected by the Issuer as proposed by the holders of the Subordinated Notes acting by Ordinary Resolution, provided that the holders of the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection by the Issuer. If the Controlling Class do object as described in the previous sentence, then the holders of the Controlling Class acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the holders of the Subordinated Notes acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the holders of the Subordinated Notes acting by Ordinary Resolution do object as described in the previous sentence, then the holders of the Subordinated Notes acting by way of Ordinary Resolution must also propose an alternative replacement collateral manager, which shall be appointed as successor provided that the Controlling Class acting by Ordinary Resolution do not object within 30 days after the giving of notice thereof in accordance with the Conditions of such proposed selection. If the Controlling Class do object as described in the previous sentence, then the Issuer shall appoint a successor collateral manager proposed by the holders of the Subordinated Notes acting by Ordinary Resolution that (i) has not previously been objected to by the Controlling Class (ii) is not an Affiliate of any such holder voting in favour of such Ordinary Resolution and (iii) otherwise meets the criteria for a successor collateral manager under the Collateral Management and Administration Agreement. If no successor collateral manager has been appointed within 180 days or if the Collateral Manager is required to resign or is removed as a result of illegality or a Collateral Manager Tax Event, the Issuer (subject to the approval of the holders of the Subordinated Notes, acting by Ordinary Resolution) shall appoint a successor collateral manager which satisfies the criteria specified in the Collateral Management and Administration Agreement as soon as possible, subject to receipt of Rating Agency Confirmation (provided that Rating Agency Confirmation from Moody's shall not be required so long as Moody's is notified by or on behalf of the Issuer of such appointment). The Retention Notes may be transferred to

a successor collateral manager following its appointment as referred to in "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above, but the appointment of such successor shall not be conditional upon such a transfer. For the avoidance of doubt, no Notes either held in the form of CM Removal and Replacement Non-Voting Notes or held by or on behalf of the Collateral Manager or any Collateral 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 results of any CM Replacement Resolution.

Upon notice of removal or resignation of the Collateral Manager

In the event that the Collateral Manager has received notice that it will be removed or has given notice of its resignation, until a successor Collateral Manager has been appointed and has accepted such appointment in accordance with the terms specified in the Collateral Management and Administration Agreement, purchases and sales of Collateral Obligations shall be only made in relation to sale of Margin Stock, Credit Risk Obligations and Defaulted Obligations (in addition to any purchase or sale trades initiated prior to such removal, termination or resignation).

Delegation and Transfers

The Collateral Manager may not assign its material rights or delegate material responsibilities under the Collateral Management and Administration Agreement without the consent of: (i) the Issuer; (ii) the holders of the Controlling Class acting by Ordinary Resolution; and (iii) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding any Notes held by the Collateral Manager or any Collateral Manager Related Person and any Notes held in the form of CM Removal and Replacement Non-Voting Notes, and subject to Rating Agency Confirmation and to such assignee or delegate having the requisite Irish regulatory capacity; provided, that, to the extent permitted by the Collateral Management and Administration Agreement, such consent and Rating Agency Confirmation shall not be required in the case of a Permitted Assignee. A "**Permitted Assignee**", for the purposes of the Collateral Management and Administration Agreement, means an Affiliate of the Collateral Manager that (i) is legally qualified and has the Irish regulatory capacity to act as Collateral Manager under the Collateral Management and Administration Agreement; (ii) employs the principal personnel performing the duties required under the Collateral Management and Administration Agreement prior to such assignment; (iii) the appointment of which will not cause either of the Issuer or the Collateral to become required to register under the provisions of the Investment Company Act; (iv) the appointment and conduct of which will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation, be engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Collateral Management Fees becoming subject to value added or similar tax or cause any other material adverse tax consequences to the Issuer; and (v) the appointment and conduct of which will not cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

The Issuer may not assign its rights under the Collateral Management and Administration Agreement without the prior written consent of the Collateral Manager, the Trustee, the holders of each Class of Notes acting by Ordinary Resolution, each voting as a separate Class, and subject to Rating Agency Confirmation, except in the case of an assignment by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

In the event of any assignment, delegation or transfer by a party to the Collateral Management and Administration Agreement, the assignee, delegate or transferee shall execute and deliver such documents as may be necessary to effect fully such assignment, delegation or transfer and the assignee, delegate or transferee shall be required to make all the representations, mutatis mutandis, as set out therein as on the date of assignment, delegation or transfer, provided that the relevant party thereto will not thereby be relieved of any of its duties or obligations which arose prior to such assignment, delegation or transfer in respect of the Retention Notes (other than if the Retention Notes are transferred in accordance with the terms thereof and of the Collateral Management and Administration Agreement as described herein) or otherwise unless the assignee, delegate and/or transferee agrees in writing with all other parties to the Collateral Management and Administration Agreement to assume such duties or obligations. Any assignment, delegation or transfer made in accordance with the Collateral Management and Administration Agreement shall bind the assignee, delegate or transferee in the same manner as the relevant party who is the transferor or assignor is bound. In addition, in the case of an assignment or delegation by the Collateral Manager, the assignee or delegate shall execute and

deliver to the Trustee and the Rating Agencies then rating the Notes a counterpart of the Collateral Management and Administration Agreement naming such assignee or delegate as the Collateral Manager (with or without any changes to or omission of the provisions relating to the Retention Notes as may be required in accordance with the terms of such provisions). Upon the execution and delivery of such a counterpart by the assignee or delegate, the Collateral Manager shall be released from further obligations pursuant to the Collateral Management and Administration Agreement, except with respect to its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such assignment or delegation and except with respect to its obligations under certain provisions relating to confidentiality, limited recourse and non-petition and only if the Retention Notes have not been transferred to the assignee or delegate in accordance with the terms of the Collateral Management and Administration Agreement, in respect of the Retention Notes. Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement shall remain vested in the Collateral Manager after the termination in accordance with the terms of the Collateral Management and Administration Agreement.

No Voting Rights

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

Any Class A-1 Notes, Class A-2A Notes, Class A-2B Notes, Class B Notes or Class C Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person shall only be held in the form of CM Removal and Replacement Non-Voting Notes and will therefore have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

Any Class D Notes, Class E Notes or Subordinated Notes held by or on behalf of the Collateral Manager or any Collateral Manager Related Person will have no voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of any CM Removal Resolution or CM Replacement Resolution (but shall carry a right to vote and be so counted on all other matters in respect of which CM Removal and Replacement Voting Notes have a right to vote and be counted).

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

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

State Street is one of the world's leading providers of financial services to institutional investors. Serving clients in more than 100 markets, it delivers global reach, expertise, and a unique combination of consistency and innovation to help clients manage uncertainty, act on growth opportunities, optimise cost structures and enhance the value of their services.

State Street offers a flexible suite of services that spans the investment spectrum, including investment management, investment research and trading, and investment servicing.

State Street's investment servicing business, State Street Global Services, provides the essential financial infrastructure for delivering effective investment servicing solutions globally. State Street's capabilities in asset servicing, operations outsourcing and analytics enable its clients to manage operational risk, optimise their cost structures, enhance the value of their services and act on growth opportunities – across all major markets. State Street's combination of consistency and creativity is what helps its clients face the future with confidence.

State Street handled \$10 trillion in middle-office assets under administration, and serviced more than \$1.19 trillion in alternative assets globally for hedge funds, private equity, real estate and funds of funds as of September 30, 2013.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed: (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice in each case by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Extraordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer, the Trustee and the Collateral Manager. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Collateral Management and Administration Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 or (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

- (a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Obligations; and
- (b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and has the Irish regulatory capacity to enter into derivatives transactions with Irish residents. If the relevant Moody's counterparty criteria change following the receipt of Rating Agency Confirmation or approval of a Form Approved Hedge, as applicable, the Collateral Manager (on behalf of the Issuer) will be required to seek a further Rating Agency Confirmation or approval, as applicable.

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

Currency Hedge Transactions: In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Currency Hedge Agreement), the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Interest Rate Hedge Transactions: In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Irish regulatory capacity to enter into derivatives transactions with Irish residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (provided that the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, subject to receipt of

Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Currency Hedge Transactions constitute Form Approved Hedges):

- (a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;
- (b) on the scheduled date of termination of such transaction, which shall be the date falling two Business Days after the date on which the Non-Euro Obligation is scheduled to mature or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;
- (c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the principal amount outstanding from time to time of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and equal to the interest payable in respect of the Non-Euro Obligation and the Currency Hedge Counterparty will pay to the Issuer a EURIBOR coupon amount based on the outstanding principal amount of the related Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and
- (d) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Sale converted into Euros at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (but, for the avoidance of doubt, no breakage or other costs will be payable to the Currency Hedge Counterparty in connection with a prepayment, repayment or redemption of the related Non-Euro Obligation).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable. The Collateral Manager (on behalf of the Issuer) is also authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Currency Hedge Transaction.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Currency Hedge Replacement Payments and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(ix) (*Currency Accounts*)), will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

Upon the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), and upon the Trustee (or any agent or appointee thereof), the Collateral Manager or any other agent of the Issuer (including any insolvency practitioner, receiver, examiner or equivalent such person in any relevant jurisdiction), selling the relevant Non-Euro Obligation, the Currency Hedge Counterparty shall receive the proceeds of the sale of the Non-Euro Obligation from the Currency Account of the Issuer, outside

of the Post-Acceleration Priority of Payments and return the Euro equivalent amount owing, less any amount payable to the Currency Hedge Counterparty in respect of the early termination of the Currency Hedge Transaction in connection with such sale and the Currency Hedge Transaction shall terminate in accordance with its terms.

Notwithstanding the above, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Currency Hedge Counterparty may, but shall not be obliged to, terminate any or all Currency Hedge Transactions in which case any Currency Hedge Issuer Termination Payment would be paid (following acceleration of the Notes) in accordance with Condition 10(b) (*Acceleration*) and the Post-Acceleration Priority of Payments.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross up

Under each Hedge Agreement neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment set out in Condition 3(c) (*Priorities of Payment*); provided that any Counterparty Downgrade Collateral standing to the credit of a Counterparty Downgrade Collateral Account shall be applied and delivered by the Issuer (or by the Collateral Manager on its behalf) in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, including but not limited to:

- (a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;
- (b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;
- (c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;
- (d) in certain circumstances, upon a regulatory change or change in the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

- (e) any amendment to any provisions of the Transaction Documents without the written consent of the Hedge Counterparty which has a material adverse effect on its rights thereunder, subject to the terms of the relevant Hedge Agreement;
- (f) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement;
- (g) upon the early redemption in full or acceleration of the Notes; and
- (h) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Collateral Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Collateral Manager on its behalf) by reference to market quotations obtained in respect of the entry into of a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by the Rating Agencies for the type of derivative transaction represented by the Hedge Transactions in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral Manager, acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the regulatory capacity to enter into derivatives transactions with Irish residents.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder, in each case including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Reporting of Specified Hedging Data

The Collateral Manager, on behalf of the Issuer, may from time to time enter into agreements (each a "**Reporting Delegation Agreement**") for the delegation of certain derivative reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a "**Reporting Delegate**").

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Conditions.

Monthly Reports

The Collateral Administrator, not later than the eighth Business Day after the sixth calendar day (or, if such day is not a Business Day, the immediately following Business Day) of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in August 2014 on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile and provide to the Issuer, the Trustee, the Collateral Manager, each Hedge Counterparty and each Rating Agency a monthly report (the "**Monthly Report**"), which shall contain, without limitation, the information set out below with respect to the Portfolio (and shall include a version in excel format), determined by the Collateral Administrator as at the sixth calendar day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager made available via a secured website which shall be accessible to the Issuer, the Arranger, the Trustee, each Hedge Counterparty, the Collateral Manager and the Rating Agencies and 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. In addition, for so long as any of the Notes are Outstanding, the Monthly Report will be available for inspection at the offices of, and copies thereof may be obtained free of charge upon request from, the Issuer. For the purposes of the Reports, obligations which are to constitute Collateral 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 Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed.

Each Monthly Report shall include notice that: (A) each Noteholder must be either (x) a QIB that is a QP or (y) a person outside the United States that is not a U.S. Person (as defined in Regulation S); and (B) the Notes may only be transferred to investors which also meet such criteria.

The Issuer will procure that notices provided to it by verified Noteholders are published, upon request by such Noteholders, on the reporting website maintained by the Collateral Administrator for viewing by other verified Noteholders. The Collateral Administrator shall have no responsibility or liability for the contents, completeness or accuracy of any such published information.

Portfolio

- (a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;
- (b) the Collateral Principal Amount of the Collateral Obligations;
- (c) the Adjusted Collateral Principal Amount of the Collateral Obligations;
- (d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, Moody's Rating, Moody's Default Probability Rating, Fitch Rating, Fitch Recovery Rating, and any other public rating (other than any confidential credit estimate), its Fitch industry category, Moody's industrial classification group, Moody's Recovery Rate and Fitch Recovery Rate;
- (e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Unsecured Senior Loan, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Obligation, Corporate Rescue Loan, PIK Security, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Obligation, Bridge Loan, Discount

Obligation, a Swapped Non-Discount Obligation, Deferring Security or Senior Secured Floating Rate Note;

- (f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;
- (g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Equity Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;
- (h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;
- (i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each Caa Obligation, CCC Obligation and Current Pay Obligation;
- (j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;
- (k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;
- (l) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations;
- (m) in respect of each Collateral Obligation, its Moody's Rating and Fitch Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;
- (n) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record;
- (o) a commentary provided by the Collateral Manager with respect to the Portfolio; and
- (p) a statement identifying each Collateral Obligation falling within paragraph (w) of the Portfolio Profile Tests.

Accounts

- (a) the Balances standing to the credit of each of the Accounts; and

- (b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts.

Hedge Transactions and Counterparty Rating Requirements

- (a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;
- (b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;
- (c) the then current Fitch rating and, if applicable, Moody's rating in respect of each Hedge Counterparty, Account Bank and Custodian and the current Moody's rating in respect of the Principal Paying Agent and whether such Hedge Counterparty, Account Bank, Custodian and Principal Paying Agent satisfies the Rating Requirements; and
- (d) the maturity date, the strike price and the underlying currency notional amount of each currency option, the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

Coverage Tests and Collateral Quality Tests

- (a) a statement as to whether each of the Par Value Tests is satisfied and details of the relevant Par Value Ratios;
- (b) a statement as to whether each of the Interest Coverage Tests is satisfied and details of the relevant Interest Coverage Ratios;
- (c) during the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied;
- (d) so long as any Notes rated by Moody's are Outstanding, the Moody's Weighted Average Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied;
- (e) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;
- (f) the Weighted Average Spread, the Excess Weighted Average Coupon and a statement as to whether the Minimum Weighted Average Spread Test is satisfied;
- (g) the Weighted Average Fixed Coupon, the Excess Weighted Average Spread and a statement as to whether the Minimum Weighted Average Fixed Coupon Test is satisfied;
- (h) so long as any Notes rated by Fitch are Outstanding, the Fitch Weighted Average Rating Factor and a statement as to whether the Fitch Maximum Weighted Average Rating Factor Test is satisfied;
- (i) so long as any Notes rated by Fitch are Outstanding, the Fitch Weighted Average Recovery Rate and a statement as to whether the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;
- (j) so long as any Notes rated by Moody's are Outstanding, the Moody's Weighted Average Rating Factor and a statement as to whether the Moody's Minimum Weighted Average Rating Factor Test is satisfied;
- (k) so long as any Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied; and
- (l) a statement identifying any Collateral Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

- (a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;
- (b) the identity and Fitch Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and
- (c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Fitch Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non-compliance.

Risk Retention

Confirmation that the Collateral Administrator has received written confirmation from the Collateral Manager that:

- (a) it continues to retain the Retention Notes; and
- (b) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Obligations, except to the extent permitted in accordance with the Retention Requirements.

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes

- (a) For so long as any Class A-1 Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class A-1 CM Removal and Replacement Voting Notes; and
 - (ii) the aggregate Principal Amount Outstanding of all Class A-1 CM Removal and Replacement Non-Voting Notes.
- (b) For as long as any Class A-2A Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class A-2A CM Removal and Replacement Voting Notes; and
 - (ii) the aggregate Principal Amount Outstanding of all Class A-2A CM Removal and Replacement Non-Voting Notes.
- (c) For as long as any Class A-2B Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class A-2B CM Removal and Replacement Voting Notes; and
 - (ii) the aggregate Principal Amount Outstanding of all Class A-2B CM Removal and Replacement Non-Voting Notes.
- (d) For as long as any Class B Notes are Outstanding:
 - (i) the aggregate Principal Amount Outstanding of all Class B CM Removal and Replacement Voting Notes; and
 - (a) the aggregate Principal Amount Outstanding of all Class B CM Removal and Replacement Non-Voting Notes.
- (e) For as long as any Class C Notes are Outstanding:

- (i) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Voting Notes; and
- (ii) the aggregate Principal Amount Outstanding of all Class C CM Removal and Replacement Non-Voting Notes.

Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render a report not later than 11.00 a.m. (London time) on the Business Day preceding the related Payment Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a secured website which shall be accessible to the Issuer, the Arranger, the Initial Purchaser, the Trustee, each Hedge Counterparty, the Collateral Manager and the Rating Agencies and 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. In addition, for so long as any of the Notes are Outstanding, the Payment Date Report will be available for inspection at the offices of, and copies thereof may be obtained free of charge upon request from, the Issuer.

Each Payment Date Report shall include notice that: (A) each Noteholder must be either (x) a QIB that is a QP or (y) a person outside the United States that is not a U.S. Person (as defined in Regulation S); and (B) the Notes may only be transferred to investors which also meet such criteria.

Upon issue 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 Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the disposal of any Collateral Obligations during such Due Period;
- (b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each; and
- (c) the information required pursuant to "*Monthly Reports — Portfolio*" above.

Notes

- (a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;
- (b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);
- (c) the Interest Amount payable in respect of each Class of Rated Notes on the next Payment Date; and
- (d) EURIBOR for the related Due Period and the Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

Payment Date Payments

- (a) the amounts payable pursuant to the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments;
- (b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and
- (c) any Defaulted Currency Hedge Termination Payments and Defaulted Interest Rate Hedge Termination Payments.

Accounts

- (a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;
- (b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;
- (c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;
- (d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;
- (e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;
- (f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payment on such Payment Date;
- (g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payment on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;
- (h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;
- (i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;
- (j) the Principal Proceeds received during the related Due Period;
- (k) the Interest Proceeds received during the related Due Period; and
- (l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests

- (a) the information required pursuant to "*Monthly Reports — Coverage Tests and Collateral Quality Tests*" above; and
- (b) the information required pursuant to "*Monthly Reports — Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports — Hedge Transactions and Counterparty Rating Requirements*" above.

Risk Retention

The information required pursuant to "*Monthly Reports — Risk Retention*" above.

CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes

The information required pursuant to "*Monthly Reports – CM Removal and Replacement Voting Notes / CM Removal and Replacement Non-Voting Notes*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator in order for the Issuer to satisfy its obligation to make certain filings of information with the Central Bank and in respect of the preparation of its financial statements and tax returns.

TAX CONSIDERATIONS

1. General

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

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

2. Irish Taxation

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the 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.

Taxation of Noteholders

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 interest which should include interest payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

1. ***Interest paid on a quoted Eurobond: The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:***
 - (a) the Notes are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Main Securities Market of the Irish Stock Exchange) and which carry a right to interest; and
 - (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
 - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (ii) the Noteholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
 - (c) one of the following conditions is satisfied:

- (i) the Noteholder is resident for tax purposes in Ireland; or
- (ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or
- (iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:
 - (A) from whom the Issuer has acquired assets;
 - (B) to whom the Issuer has made loans or advances; or
 - (C) with whom the Issuer has entered into a swap agreement,
 where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or
- (iv) at the time of issue of the Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments.

where the term:

"relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (**"Relevant Territory"**); and

"swap agreement" means any agreement, arrangement or understanding that—

- I. provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and
- II. transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes continue to be quoted on the Main Securities Market of the Irish Stock Exchange, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

2. ***Interest paid by a qualifying company to certain non-residents:***

If, for any reason, the exemption referred to above ceases to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the Taxes Consolidation Act of Ireland 1997, as amended ("**TCA**") and the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
 - (i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or
 - (ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come in to force once

all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory. The Finance Act 2012 extended the quoted Eurobond exemption to companies which are under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, and to 75 per cent. subsidiary companies of a company or companies the principal class of shares in which is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A Noteholder will not be subject to Irish tax on capital gains on a disposal of Notes unless such Noteholder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

Capital Acquisitions Tax

A gift or inheritance comprising Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act, 1999 so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business), on the issue, transfer or redemption of the Notes.

EU Savings Directive

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another member state of the European Union or certain associated and

dependent territories of an EU member state will have to provide details of the payment and certain details relating to the Noteholders (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Issuer, or any person or agent acting on behalf of the Issuer, shall be entitled to require 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, or any person or agent acting on behalf of the Issuer, to the relevant tax authorities.

3. **United States Federal Income Taxation**

Introduction

This is a discussion of certain of the U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Notes. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Noteholder or beneficial owner based on such Noteholder's or beneficial owner's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum tax considerations, the 3.8 per cent. Medicare tax on certain 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 or beneficial owners that are subject to special treatment, including Noteholders or beneficial owners that:

- (i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies, controlled foreign corporations or passive foreign investment companies;
- (ii) are 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;
- (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 and any Notes treated as equity for U.S. federal income tax purposes); or
- (v) hold their notes through a partnership or other entity treated as a partnership for U.S. federal income tax purposes.

This discussion considers only Noteholders and beneficial owners that will hold Notes as capital assets and U.S. Holders (as defined below) whose functional currency is the U.S. dollar. This discussion is generally limited to the tax consequences to initial Noteholders and beneficial owners that purchase Notes upon their initial issue at their initial issue price.

For purposes of this discussion, "**U.S. Holder**" means a beneficial owner of a 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 (including any entity that is treated as a corporation for U.S. federal income tax purposes);
- (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 neither a U.S. Holder nor a partnership for U.S. federal income tax purposes.

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 the consequences of the acquisition, ownership, disposition and retirement of the Notes.

This discussion is based upon the U.S. Internal Revenue Code of 1986 (the "**Code**"), existing and proposed regulations thereunder, and current administrative pronouncements and court decisions, each as available and in effect as of the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion. Furthermore, there are no cases or rulings by the U.S. Internal Revenue Service (the "**IRS**") addressing entities similar to the Issuer or securities similar to the 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 any of the issues discussed in this section "*United States Federal Income Taxation*", including the U.S. federal income tax treatment of the Issuer or the U.S. federal income tax characterisation of the Notes.

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

U.S. Internal Revenue Service Circular 230 Disclosure

Pursuant to U.S. Internal Revenue Service Circular 230, 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, and such description cannot be used, by any taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer under the 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.

United States Taxation of the Issuer

The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes. The Issuer intends to operate so as not to be subject to U.S. federal income tax on its net income. In this regard, upon the issuance of the Notes, the Issuer will receive an opinion of Weil, Gotshal & Manges LLP, counsel to the Collateral Manager generally to the effect that, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling or judicial decision, assuming compliance with the Trust Deed and the Collateral Management and Administration Agreement, including certain tax guidelines referenced therein (the "**Tax Guidelines**"), and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and subject to other customary assumptions and qualifications, the contemplated activities of the Issuer will not cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under current law. The opinion of Weil, Gotshal & Manges LLP will not address any other issue. Failure of the Issuer to comply with the Tax Guidelines, the Trust Deed or the Collateral Management and Administration Agreement may result in the Issuer being subject to U.S. federal income tax, but may not give rise to a default or an Event of Default under the Trust Deed or the Collateral Management and Administration Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes.

In addition, the Issuer (or the Collateral Manager acting on its behalf) is permitted to take certain actions prohibited under the Tax Guidelines if it obtains written advice from Weil,

Gotshal & Manges LLP or an opinion of other tax counsel of nationally recognized standing in the United States experienced in such matters, that the departure will not cause the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. The Collateral Manager will not be treated as violating its obligations under the Collateral Management and Administration Agreement in respect of U.S. taxes with respect to the acquisition, ownership, or disposition of any Collateral Obligation on behalf of the Issuer and shall have no liability under the Collateral Management and Administration Agreement (as a result of the Issuer being subject to U.S. federal income tax on a net basis) if such acquisition, ownership, or disposition (taking into account the Issuer's other activities) complies with the Tax Guidelines, so long as there has not been a change in law subsequent to the date thereof that the Collateral Manager actually knows would require relevant changes to such Tax Guidelines prior to such acquisition, ownership, or disposition in order to prevent the Issuer from being treated as being engaged in a trade or business in the United States for U.S. federal income tax purposes or otherwise subject to U.S. federal income tax on a net income basis. In the event of a change in law that would require relevant changes to such Tax Guidelines, the Collateral Manager will not be treated as violating its obligations under the Collateral Management and Administration Agreement in respect of U.S. taxes with respect to the acquisition, ownership, or disposition of any Collateral Obligation on behalf of the Issuer if such acquisition, ownership, or disposition is otherwise permitted under the Collateral Management and Administration Agreement and the Collateral Manager has received an opinion from tax counsel of nationally recognized standing in the United States experienced in such matters (or written advice from Weil, Gotshal & Manges LLP) to the effect that, under the relevant facts and circumstances with respect to such acquisition, ownership, or disposition, taking into account such change in law, and assuming compliance with the Trust Deed and all other provisions of the Tax Guidelines, the Issuer's contemplated activities would not cause the Issuer to be engaged, or deemed to be engaged, in a trade or business within the United States for U.S. federal income tax purposes or otherwise to be subject to U.S. federal income tax on a net basis.

The opinion of Weil, Gotshal & Manges LLP will not address the situations described above. In addition, the opinion of Weil, Gotshal & Manges LLP is not binding on the IRS or the courts. Moreover, a change in law or its interpretation could result in the Issuer being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes, or otherwise subject to U.S. federal income tax on a net income basis (notwithstanding that the Collateral Manager is acting in accordance with the Tax Guidelines). If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. federal corporate income tax on its effectively connected taxable income, possibly on a gross basis, and possibly to a 30 per cent. branch profits tax and state and local taxes as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to make payments on the Notes. The balance of this summary assumes that the Issuer is not subject to U.S. federal income tax on its net income.

Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries, and the imposition of such taxes could materially affect its financial ability to make payments on the Notes. In this regard and subject to certain exceptions, the Issuer may generally only acquire a particular Obligation if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the issuer of the 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, contrary conclusions by a taxing authority, or other causes.

U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Rated Notes

Characterisation of the Rated Notes. The Issuer intends to treat the Rated Notes as debt for U.S. federal income tax purposes, and this summary assumes such treatment. By acquiring an interest in a Rated Note, the holder will agree to treat such Rated 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 of Rated Notes, are equity.

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 the same as 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. Except as discussed under "*Possible Treatment of Rated Notes as Equity for U.S. Federal Income Tax Purposes*" below, the balance of this discussion assumes that the Rated Notes of all Classes will be characterised as debt of the Issuer for U.S. federal income tax purposes.

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.

Interest and OID 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 "qualified stated interest" (as defined below) paid in Euro when received. Such Euro interest 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 such payment but may have foreign currency gain or loss upon disposing of the Euro received.

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. Interest payments on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (together the "**Deferrable Notes**") are subject to deferral and the amount not paid on a Payment Date will be 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, as discussed below, 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, all interest on the Deferrable Notes will be subject to the original issue discount ("**OID**") rules discussed below.

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 $\frac{1}{4}$ 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 (such as the Rated Notes). 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.

If a U.S. Holder holds a Deferrable Note, or, if issued with OID, a Class A-1 Note or Class A-2 Note, (such a Note, an "**OID Note**"), such U.S. Holder will 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. Accruing such OID will be based on the weighted average life of the applicable Class rather than its stated maturity. 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. It is possible, however, that the IRS could assert and a court could ultimately hold that some other method of accruing OID should apply.

In the case of qualified stated interest on a Class A-1 Note or Class A-2 Note, a U.S. Holder that uses the accrual method of accounting, and in the case of OID on a Rated Note, any U.S. Holder will be required to include in income the U.S. dollar value of the qualified stated interest or OID, as the case may be, in Euro accrued during an accrual period. A U.S. Holder may determine the amount of income recognised with respect to such qualified stated interest or OID 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 or OID 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). A U.S. Holder that uses this first method will therefore recognise foreign currency gain or loss, as the case may be, on interest or OID paid to the extent that the U.S. dollar/Euro exchange rate on the date the interest or OID is received differs from the rate at which the interest income or OID was accrued. This gain or loss generally will constitute ordinary income or loss from U.S. sources. Under the second method, the U.S. Holder can elect to accrue interest or OID at the Euro spot rate on the last day of an 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 accrual period is within five business days of the receipt of such interest or OID, 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. See "*Disposition of Euros*" below.

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 1271(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

Each Class of Rated Notes will be "variable rate debt instruments" if such Class (a) has an issue price that does not exceed the total non-contingent principal payments on such Class 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; and (ii) 15 per cent. of the total non-contingent principal payments on such Class; (b) provides for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate, on such Class; and (c) does not provide for any principal payments that are contingent. Each class of Rated Notes qualify as variable rate debt instruments, provided the issue price of such Class is not more than 115,000 Euros per 100,000 Euro principal amount.

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 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 Class in accordance with U.S. Treasury regulations relating to contingent payment debt instruments. 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 Rated Notes under the contingent payment debt instrument rules.

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, disposition and retirement of such Note.

Qualified stated interest and OID on the Rated 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".

Sale, Exchange, Redemption or Repayment of the Rated Notes. Unless a non-recognition provision applies, 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 in U.S. dollars (other than amounts attributable to accrued but unpaid interest, which will be treated as ordinary income to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in such Rated Note. Except to the extent of exchange gain or loss (as described below), any gain or loss will generally be capital gain or loss and will be treated as U.S. source gain or loss. If the U.S. Holder is an individual or other non-corporate taxpayer and has held the Note for more than one year, such capital gain generally will be eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

If a U.S. Holder receives Euros on the sale, exchange, redemption, repayment or other disposition, the amount realized generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date the Rated Note is disposed. 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. 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, in the case of the Class A-1 Notes or Class A-2 Notes, payments of qualified stated interest through the date of sale). In the case of a Rated Note that is traded on an established securities market, a cash basis U.S. Holder and an electing accrual basis U.S. Holder will determine the U.S. dollar value of the cost of such Notes by translating the amount paid at the spot rate on the settlement date of the purchase. A U.S. holder that uses previously owned foreign currency to purchase a Note will recognize exchange gain or loss in an amount equal to the difference between the U.S. Holder's U.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 Note is purchased. The conversion of U.S. dollars to Euros and the immediate use of that currency to purchase a Note generally will not result in exchange gain or loss for a U.S. Holder. 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.

In the case of a sale, exchange, retirement or other taxable disposition of a Rated Note, the amount of any exchange gain or loss should equal the difference between (i) the U.S. dollar value of the Note's purchase price, determined at the time the Note is disposed of, and (ii) the U.S. dollar value of the Note's purchase price, determined at the time the U.S. Holder acquired the Note. In addition, a U.S. Holder may realize exchange gain or loss with respect to amounts received in respect of accrued and unpaid interest and accrued OID, which will be determined in the same manner as discussed above under "*Interest and OID on the Rated Notes*". Any such exchange gain or loss (including exchange gain or loss realized with respect to accrued interest and OID) cannot exceed the total gain or loss realized by the U.S. Holder on the sale, exchange, retirement or other taxable disposition of the Note. Such exchange gain or loss will be ordinary income or loss and generally will be treated as U.S. source income or loss. If a U.S. Holder recognizes exchange loss upon a sale, exchange, retirement or other

taxable disposition of a Rated Note above certain thresholds, the holder may be required to file a disclosure statement with the IRS.

Disposition of Euros. A U.S. Holder will have a tax basis in Euros received as payment of qualified stated interest or OID on the Rated Notes or on the sale, exchange, retirement or other taxable disposition equal to the U.S. dollar value of Euros received determined at the spot exchange rate on the date the Euros are received. Any gain or loss realized by a U.S. Holder on a sale or other disposition of the Euros (including their exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Possible Treatment of Rated Notes as Equity for U.S. Federal Tax Purposes. It is possible that the IRS may contend that any Class of Rated 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. Holders. If U.S. Holders of one or more Classes of the Rated Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to those U.S. Holders would be as described under "U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Subordinated Notes."

U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Subordinated Notes

The Issuer has agreed and, by its acceptance of a Subordinated Note, each Holder of a Subordinated Note will be deemed to have agreed, to treat all Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any governmental authority. If U.S. Holders of the Subordinated Notes were treated as owning debt of the Issuer, the U.S. federal income tax consequences to those U.S. Holders would be as described under "**U.S. Characterisation and U.S. Tax Treatment of U.S. Holders of the Rated Notes**". The balance of this discussion assumes that the Subordinated Notes will properly be characterised as equity in the Issuer. Prospective investors should consult their own tax advisors regarding the consequences of acquiring, holding or disposing of the Subordinated Notes.

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**").

Assuming 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. 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 U.S. Holder'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, the discussion below assumes that a QEF election will not be made. The cost charged to the U.S. Holder by the Issuer for providing the information may be significant.

Assuming the Issuer is a PFIC, each U.S. Holder of a Subordinated Note must make an annual return on IRS Form 8621, reporting information required by the instructions to the form and the applicable Treasury regulations with respect to each PFIC in which the U.S. Holder holds a direct or indirect interest. If 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 may not close before the date which is three years after the date on which such form is filed.

It is possible that the Issuer will own investments in foreign corporations which are classified as equity for U.S. federal income tax purposes. If such foreign corporations are PFICs, the rules set forth above concerning certain distributions by, and the disposition of equity of, a PFIC would apply to such U.S. Holder's indirect interest in the PFIC.

Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

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 owns or is treated as owning under specified attribution rules, 10 per cent. or more of the combined voting power 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, a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a distribution, taxable as ordinary 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. It is likely that, if the Issuer were to constitute a CFC, substantially 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 distributions 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. Certain distributions 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.

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.

Distributions on the Subordinated Notes. Except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules or a QEF election is made, some or all of any distributions with respect to the Subordinated Notes may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer which are not excess distributions will be taxed as dividends when received, but will not be eligible for taxation at the rates applicable to long term capital gains that apply to certain dividends paid to non-corporate shareholders of U.S. corporations and certain foreign corporations. The amount of such income is determined by translating Euro received into U.S. dollars at the spot rate on the date of receipt. A U.S. Holder may realise exchange gain or loss on a subsequent disposition of the Euro received.

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. If 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 discussed under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual U.S. Holders that have held the Subordinated Notes for more than one year, 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 realised 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.

Exchange 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 Subordinated Notes under the QEF or CFC rules discussed above will recognise exchange 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 exchange 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 Subordinated Notes with previously owned foreign currency generally will recognise exchange 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 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 disposition of the foreign currency will be exchange gain or loss generally treated as U.S. source ordinary income or loss.

Transfer and Other Reporting Requirements Applicable to U.S. Holders of the Notes

In general, U.S. Holders who acquire 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. If a U.S. Holder does not file Form 926, 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 form is filed.

In addition, a U.S. Holder of Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) 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). If a U.S. Holder does not file Form 5471, 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 form is filed.

Prospective investors in the Notes should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of the Notes. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise 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. 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 IRS Form 8938 annually to report the ownership of such assets if the total value of these assets exceeds the applicable threshold amounts. The threshold varies depending on circumstances, but reporting generally is required if the total value of all financial assets is more than \$50,000 on the last day of the tax year or more than \$75,000 at any time during the year. Specified foreign financial assets include the Notes (unless they are regularly traded on an established securities market), as well as any financial instrument or contract held for investment that has an issuer or counterparty that is not a U.S. person. Proposed regulations not yet in effect would require filing by domestic entities formed or availed of to hold, directly or indirectly, specified foreign financial assets. In general, the form is not required to be filed with respect to the

Notes if they are held through a domestic financial institution. Taxpayers who fail to file the Form 8938 when required are subject to a penalty of \$10,000 for such taxable year, which may be increased to \$50,000 in certain circumstances. In addition, if a U.S. Holder fails to file Form 8938 when required, 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 form is filed. All U.S. Holders are urged to consult their tax adviser with respect to whether the Notes are specified foreign financial assets that (if the applicable threshold were met) would be subject to this rule.

U.S. Tax Treatment of Non-U.S. Holders of Notes

Subject to the discussions below under "**Information Reporting and Backup Withholding**" and "**Foreign Account Tax Compliance Act**", payments, including interest, OID and any amounts treated as dividends, on a 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; or (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.

Information Reporting and Backup Withholding

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. Holders 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.

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

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

Foreign Account Tax Compliance Act

FATCA imposes a new 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, unless exempt or deemed compliant, does not enter into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain

information in respect of its account holders and investors (such an FFI, a **"non-Participating FFI"**) and (ii) any investor (unless otherwise exempt from FATCA) that fails to properly comply with requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to a taxing authority (a **"Recalcitrant Holder"**). The Issuer may be classified as an FFI.

Withholding will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign pass thru payments" (a term not yet defined) no earlier than 1 January 2017. 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 is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment adopted, or which are materially modified and treated as reissued 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 announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **"IGA"**). The United States and Ireland have entered into an IGA (the **"Irish IGA"**), pursuant to which the Issuer will not be required to enter into an agreement with the IRS but instead will be treated as deemed compliant, provided that it complies with legislation enacted by Ireland that generally is expected to require certain information in respect of account holders and investors be collected and reported to the Irish taxing authorities.

Although it intends to comply with all Irish laws and regulations enacted pursuant to the Irish IGA, there is no assurance that the Issuer will be able to do so. Accordingly, it is possible that the Issuer would not be treated as deemed compliant under the Irish IGA, in which case it could become subject to a 30 per cent. withholding tax on all or substantially all of its income and gross proceeds. Such a withholding tax could materially affect the Issuer's ability to make payments on the Notes, but would not result in a Collateral Tax Event.

If the Issuer is treated as deemed compliant under the Irish IGA, the Issuer currently does not anticipate being obliged to deduct any withholding taxes under FATCA on payments it makes. There can be no assurance, however, that, as noted above, the Issuer will be treated as deemed compliant, or that it would in the future not be required to withhold under FATCA on payments it makes. Accordingly, the Issuer and any financial institutions through which payments on the Notes are made (**"Intermediaries"**) may be required to withhold in connection with FATCA if (i) any FFI through or to which payment on such Notes is made is a non-Participating FFI, unless otherwise exempted from or in deemed compliance with FATCA or (ii) a Holder is a Recalcitrant Holder.

The Issuer expects to require (and that an Intermediary will require) each Holder 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 the Holder and certain of the Holder's direct and indirect U.S. beneficial owners to the IRS or an Irish taxing authority. Further, the Holder will be required to permit the Issuer to share such information with the relevant taxing authority. In addition, the Issuer or an Intermediary may be required to force the sale of Notes held by a Holder or beneficial owner of Notes that is a Recalcitrant Holder or a non-Participating FFI (and such sale could be for less than its then fair market value).

If any amounts were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Moreover, the Issuer is also permitted to enter into a supplemental trust deed without the consent of holders to provide for any measures that the Issuer deems appropriate or necessary to comply with FATCA.

If the Issuer is not FATCA compliant, such non-compliance could preclude certain of its FFI affiliates from also complying with FATCA. In addition, if an FFI affiliate of the Issuer 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). Although the Issuer will not prohibit any person from holding more than 50 per cent. of the Issuer's equity, it may force the sale of all or a portion of the equity held by such a person if such Holder is an FFI affiliate of the Issuer that is preventing the Issuer from complying with FATCA. For these purposes, the Issuer shall have the right to 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 full extent of FATCA's application to the Issuer (or an Intermediary) is currently uncertain. No assurance can be given that the Issuer (or an Intermediary) will be able to take all necessary actions or that actions taken will be successful to minimise the impact of FATCA. Further, the efficacy of the Issuer's (or an Intermediary's) actions might not be within the control of the Issuer (or an Intermediary) and, for example, may depend on the actions of the Holders (and each withholding agent (if any) in the chain of custody). Each potential purchaser of Notes should consult its own tax advisor about how FATCA might affect such prospective Holder in its particular circumstance. 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.

4. **EU Directive on the Taxation of Savings Income**

Under Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income (the "**EU Savings Directive**"), each EU member state is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other EU member state; however for a transitional period, Austria and Luxembourg will instead operate a withholding system in relation to such payments, unless the beneficiary of the interest payments elects for the exchange of information. The end of this transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system, with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

A number of non EU countries, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain member states ("**Dependent and Associated Territories**"), have adopted similar measures in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in another EU member state, or certain Third Countries or Dependent and Associated Territories.

Investors should note that an amended version of the EU Savings Directive was adopted by the European Council on 24 March 2014, which, among other changes, will extend the application of the EU Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in an EU member state) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. The amendments must be transposed by EU member states prior to 1 January 2016 and will apply from 1 January 2017.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA, certain church plans (as defined in Section 3(33) of ERISA) and certain non U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under federal, state, local or non U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (the "**Plan Asset Regulation**")), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "Benefit Plan Investor" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A-1 Notes, Class A-2A Notes, the Class A-2B Notes and the Class B 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-1 Notes, Class A-2A Notes, the Class A-2B Notes and the Class B 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 C Notes and, to a greater extent, the Class D Notes, the Class E Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. While the Issuer believes that the Class C Notes should be treated as indebtedness for the purposes of ERISA, the Class D Notes, the Class E 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 D Notes, the Class E Notes and the Subordinated Notes. In reliance on representations made by investors in Class D Notes, the Class E Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in each of the Class D Notes, the Class E Notes and the Subordinated Notes to less than 25 per cent. of the Class D Notes, the Class E Notes and the Subordinated Notes (determined separately by class) at all times (excluding for purposes of such calculation the Class D Notes, the Class E Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class D Note, Class E 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 D Notes, the Class E Notes or Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the Class D Notes, the Class E Notes or Subordinated Notes (determined separately by class and in accordance with the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class D Note, Class E Note and Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even assuming the Class A-1 Notes, Class A-2A Notes, the Class A-2B Notes, Class B Notes and Class C Notes are not 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, the Initial Purchaser, the Collateral Manager, a Collateral Manager Related Person or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more, Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or Section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Initial Purchaser, the Collateral Manager, a Collateral Manager Related Person or their respective Affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies).

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-1 Note, Class A-2A Note, the Class A-2B Note, Class B Note or Class C Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S.

law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class D Note, Class E Note or 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 (unless the written consent of the Issuer and the Trustee to the contrary is obtained) hold such Note in the form of a Definitive Certificate; and (ii) (A) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Note 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 Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any Other Plan Law ("**Similar Law**") and (2) your acquisition, holding and disposition of such Note 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 Note.

If you are a purchaser or transferee of a Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate, you will be required to (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as you hold such Note or interest therein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Note 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 Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if you are a governmental, church, non-U.S. plan or other plan, (x) you are not, and for so long as you hold such Note or interest therein will not be, subject to any Similar Law and (y) your acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) agree to certain transfer restrictions regarding your interest in such Note.

No transfer of an interest in Class D Notes, Class E 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 D Notes, Class E Notes or Subordinated Notes (determined separately by class).

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 Similar Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person, that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

Citigroup Global Markets Limited (in its capacity as initial purchaser, the "**Initial Purchaser**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Notes (other than the Retention Notes) (the "**Subscribed Notes**") pursuant to the Subscription Agreement. The 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 Subscribed Notes at other prices in privately negotiated transactions at the time of sale.

The Retention Holder has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Retention Notes pursuant to the Retention Note Purchase Deed, at the following issue prices: Class A-1 Notes: 99.73 per cent., Class A-2A Notes: 100.00 per cent., Class A-2B Notes: 100.00 per cent., Class B Notes: 99.40 per cent., Class C Notes: 99.65 per cent., Class D Notes: 96.48 per cent., Class E Notes: 98.90 per cent. and Subordinated Notes: 100.00 per cent. The Retention Note Purchase Deed entitles the Retention Holder to terminate it in certain circumstances prior to payment being made to the Issuer.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A-1 Notes: €234,600,000, Class A-2A Notes: €31,400,000, Class A-2B Notes: €11,600,000, Class B Notes: €26,000,000, Class C Notes: €21,000,000, Class D Notes: €27,300,000, Class E Notes: €11,000,000 and Subordinated Notes: €39,100,000.

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

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

No action has been or will be taken by the Issuer, the Initial Purchaser or the Collateral Manager that would permit a public offering of the Notes or possession or distribution of this Prospectus or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Prospectus or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Initial Purchaser.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Issuer has been advised that the Initial Purchaser proposes to resell the Subscribed 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/QPs. The Citi Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

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

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Main Securities Market of the Irish Stock Exchange. The Issuer and the Initial Purchaser reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of 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, is prohibited.

The Initial Purchaser has represented and agreed that:

- (a) *United Kingdom:* The Initial Purchaser, which is authorised and regulated by the Financial Conduct Authority, has represented and agreed that:
 - (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
 - (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.
- (b) *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 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 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that EU member state by any measure implementing the Prospectus Directive in that EU member state and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (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.

- (c) *Austria:* No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz) as amended. Neither this document nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No steps may be taken that would constitute a public offering of the Notes in Austria and the offering of the Notes may not be advertised in Austria. The Initial Purchaser has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the Capital Markets Act and all other laws and regulations in Austria applicable to the offer and sale of the Notes in Austria.
- (d) *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 Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

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

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

The Initial Purchaser has represented and agreed that:

- (i) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.
- (ii) neither this Prospectus nor any other offering material relating to the Notes has been or will be:
 - (A) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
 - (B) used in connection with any offer for subscription or sale of the Notes to the public in France.
- (iii) such offers, sales and distributions will be made in France only:
 - (A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");
 - (B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or
 - (C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.
- (f) *Germany:* The Notes will not be registered for public distribution in Germany. This Prospectus does not constitute a sales document pursuant to the German Capital Investment

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

- (g) *Ireland*: The Initial Purchaser has represented and agreed that:
- (i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
 - (ii) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 to 2013 (as amended), the Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and
 - (iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

- (h) *Netherlands*: The Initial Purchaser has represented and agreed that it will not make an offer of the Notes which are the subject of the offering contemplated by this Prospectus to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

- (i) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).
- (j) *Switzerland*: This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss

regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

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 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 unauthorized and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

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

- (1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein to any subsequent transferees.
- (2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. Person in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.
- (3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.
- (4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial adviser for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator other than in this Prospectus for such Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral

Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) 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-1 Note, Class A-2 Note, Class B Note or Class C Note or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.
 - (b)
 - (i) With respect to the Class D Notes, the Class E Notes and 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, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (unless the written consent of the Issuer to the contrary is obtained) holds such Note in the form of a Definitive Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law.

- (ii) With respect to acquiring or holding a Class D Note, Class E Note or Subordinated Note in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Class D Note, Class E Note or Subordinated Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Class D Note, Class E Note or Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Class D Note, Class E Note or Subordinated Note will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) that it will agree to certain transfer restrictions regarding its interest in such Class D Note, Class E Note or Subordinated Note.

Any purported transfer of the Class D Notes, Class E 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 D Notes, Class E Notes or Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

- (c) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (7) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Notes may not at any time be held by or on behalf of 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 Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE

MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, 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), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE 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 NOTEHOLDERS (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 COLLATERAL ADMINISTRATOR.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO

PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO 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 D NOTES, THE CLASS E NOTES AND THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA 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 FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH

RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL,

STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF CLASS D NOTES, CLASS E NOTES OR 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 CLASS D NOTES, THE CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, A CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR 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 THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR 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.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER IN ORDER TO PERMIT THE ISSUER TO COMPLY WITH FATCA (INCLUDING ANY VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY THEREUNDER). IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER 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. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) 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). THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, 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 INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE PROSPECTUS FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY] [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 COLLATERAL ADMINISTRATOR AT 1 IRON STREET, BOSTON, MA 02210.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE OR A 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 (I) 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 AND (II) NEITHER IT NOR ANY AFFILIATE IS AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING. "AFFECTED BANK" MEANS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3 PER CENT. OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO ZERO PER CENT.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

- (8) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.
- (9) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
- (10) Each Holder and beneficial owner of a Note agrees to provide the Issuer with any information reasonably requested and necessary (in the sole determination of the Issuer) for the Issuer in order to permit the Issuer to comply with FATCA (including any voluntary agreement entered into with a taxing authority thereunder). It understands and acknowledges that the Issuer 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. The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (i) to compel any beneficial owner of an interest in the Notes that fails to comply with the information requirements of above, that is a non-Participating FFI or that otherwise prevents the Issuer from qualifying as, or complying with any obligations or requirements imposed on, a "**Participating FFI**" within the meaning of U.S. Treasury Regulation Section 1.1471-1(b)(85) or a "deemed-compliant FFI" within the meaning of U.S. Treasury Regulation Section 1.1471-5(f), to sell its interest in such Notes, or may sell such interest on behalf of such owner and (ii) 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). The purchaser also understands and acknowledges that the Issuer has the right, under the Trust Deed, 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 information requirements above or that is a non-Participating FFI.
- (11) Each holder of a Note (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Notes as described in the "Tax Considerations — United States Federal Income Taxation " section of this Prospectus for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.
- (12) No purchase or transfer of a Class D Note, Class E Note or Subordinated Note will be recorded or otherwise recognised unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex B hereto.
- (13) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder to sell its interest in the Notes or may sell such interest in its

Notes on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder.

- (14) Each holder and beneficial owner of a Class E Note or a 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 (i) 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 and (ii) neither it nor any affiliate is an Affected Bank unless such acquisition is authorized by the Issuer in writing. "Affected Bank" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that owns, directly or indirectly, more than 33 1/3 per cent. of the aggregate outstanding amount of the Class E Notes or Subordinated Notes and is neither (x) a United States person nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to zero per cent.

Regulation S Notes

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (4), (6) and (8) through (14) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes and references to Rule 144A shall be deemed to be references to Regulation S) and to have further represented and agreed as follows:

- (1) The purchaser is located outside the United States and is not a U.S. Person.
- (2) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Initial Purchaser and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) of 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, 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 NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE UNITED STATES AND ANY APPLICABLE STATE IN WHICH AN OFFERING HAS BEEN MADE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE 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 NOTEHOLDERS (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 COLLATERAL ADMINISTRATOR.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, 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 SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR

OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO 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 D NOTES, THE CLASS E NOTES AND SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA 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 FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A

CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, THE CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS D NOTES, THE CLASS E NOTES AND SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS CLASS D NOTE, CLASS E NOTE OR 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 CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS CLASS D NOTE, CLASS E NOTE OR 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 COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CLASS D NOTE, THE CLASS E NOTE OR SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF

A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE CLASS D NOTES, CLASS E 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 D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS D NOTES, CLASS E NOTES OR SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS D NOTES, THE CLASS E NOTES OR SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("25 PER CENT. LIMITATION").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE 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 OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, CLASS E NOTE OR SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR 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 THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR 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.

EACH HOLDER AND BENEFICIAL OWNER OF A NOTE AGREES TO PROVIDE THE ISSUER WITH ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER IN ORDER TO

PERMIT THE ISSUER TO COMPLY WITH FATCA (INCLUDING ANY VOLUNTARY AGREEMENT ENTERED INTO WITH A TAXING AUTHORITY THEREUNDER). IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER 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. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (I) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE INFORMATION REQUIREMENTS OF ABOVE, THAT IS A NON-PARTICIPATING FFI OR THAT OTHERWISE PREVENTS THE ISSUER FROM QUALIFYING AS, OR COMPLYING WITH ANY OBLIGATIONS OR REQUIREMENTS IMPOSED ON, A "PARTICIPATING FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-1(B)(85) OR A "DEEMED-COMPLIANT FFI" WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.1471-5(F), TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (II) 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). THE PURCHASER ALSO UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, 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 INFORMATION REQUIREMENTS ABOVE OR THAT IS A NON-PARTICIPATING FFI.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND AGREED TO TREAT THE ISSUER AND THE NOTES AS DESCRIBED IN THE "TAX CONSIDERATIONS—UNITED STATES FEDERAL INCOME TAXATION" SECTION OF THE PROSPECTUS FOR ALL U.S. FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES AND TO TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY LAW.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS B NOTES, THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY] [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 COLLATERAL ADMINISTRATOR AT 1 IRON STREET, BOSTON, MA 02210.]

EACH HOLDER AND BENEFICIAL OWNER OF A CLASS E NOTE OR A 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 (I) 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 AND (II) NEITHER IT NOR ANY AFFILIATE IS AN AFFECTED BANK UNLESS SUCH ACQUISITION IS AUTHORIZED BY THE ISSUER IN WRITING. "AFFECTED BANK" MEANS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT OWNS, DIRECTLY OR INDIRECTLY, MORE THAN 33 1/3 PER CENT. OF THE AGGREGATE OUTSTANDING AMOUNT OF THE CLASS E NOTES OR SUBORDINATED NOTES AND IS NEITHER (X) A UNITED STATES PERSON NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO ZERO PER CENT.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF

CM REMOVAL AND REPLACEMENT 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 A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A-1 NOTES, CLASS A-2A NOTES, CLASS A-2B NOTES, CLASS B NOTES AND CLASS C NOTES IN THE FORM OF CM REMOVAL AND REPLACEMENT VOTING NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL CARRY A RIGHT TO VOTE IN RESPECT OF, AND BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF A CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

- (4) That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Notes.
- (5) The Issuer, its Affiliates and any person (other than the Initial Purchaser, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.
- (6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.
- (7) The purchaser acknowledges that the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator, the Agents and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

A transferor who transfers an interest in a Regulation S Note to a transferee who will hold the interest in the same form is not required to make any additional representation or certification.

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144A Notes	
	ISIN	Common Code	ISIN	Common Code
Class A-1 CM Removal and Replacement Voting Notes	XS1075025210	107502521	XS1075026960	107502696
Class A-1 CM Removal and Replacement Non-Voting Notes	XS1075025723	107502572	XS1075027182	107502718
Class A-2A CM Removal and Replacement Voting Notes	XS1075027851	107502785	XS1075030483	107503048
Class A-2A CM Removal and Replacement Non-Voting Notes	XS1075028073	107502807	XS1075032000	107503200
Class A-2B CM Removal and Replacement Voting Notes	XS1075033826	107503382	XS1075039948	107503994
Class A-2B CM Removal and Replacement Non-Voting Notes	XS1075035441	107503544	XS1075040284	107504028
Class B CM Removal and Replacement Voting Notes	XS1075040441	107504044	XS1075041175	107504117
Class B CM Removal and Replacement Non-Voting Notes	XS1075041092	107504109	XS1075041332	107504133
Class C CM Removal and Replacement Voting Notes	XS1075041506	107504150	XS1075041845	107504184
Class C CM Removal and Replacement Non-Voting Notes	XS1075041688	107504168	XS1075042066	107504206
Class D Notes	XS1075042140	107504214	XS1075042496	107504249
Class E Notes	XS1075042579	107504257	XS1075043031	107504303
Subordinated Notes	XS1075043890	107504389	XS1075043973	107504397

The Retention Notes will be issued in definitive, certificated, fully registered form.

Listing

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Main Securities Market. There can be no assurance that any such listing will be maintained.

Expenses in relation to Admission to Trading

The expenses in relation to the admission of the Notes to trading on the Main Securities Market will be approximately Euro €7,000.00.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Directors of the Issuer passed on 19 June 2014.

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 14 March 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 14 March 2014.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position.

Accounts

Since the date of its incorporation, other than entering into the Warehouse Arrangements and acquiring certain Collateral Obligations pursuant to it, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 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 and otherwise promptly on request that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market of the Irish Stock Exchange.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (g) and (h) below, will be available for collection free of charge) at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes.

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Subscription Agreement;
- (c) the Trust Deed (which includes the form of each Note of each Class);
- (d) the Agency and Account Bank Agreement;
- (e) the Collateral Management and Administration Agreement;
- (f) the Corporate Services Agreement;
- (g) each Monthly Report;
- (h) each Payment Date Report;
- (i) the Account Control Agreement; and
- (j) the U.S. Security Agreement.

Post Issuance Reporting

The Issuer will provide post-issuance transaction information in relation to the issue of the Notes.

Enforceability of Judgments

The Issuer is a company incorporated under the laws of Ireland. None of the directors and officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons may be located outside of the United States at any time. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the United States courts is enforceable in Ireland. A judgment of the United States courts will be enforced by the courts of Ireland if the following general requirements are met:

- (i) the United States courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and
- (ii) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where, however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the United States courts which meets the above requirements for one of the following reasons:

- (a) if the judgment is not for a definite sum of money;
- (b) if the judgment was obtained by fraud;
- (c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice;
- (d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland; or
- (e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules.

Foreign Language

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

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ANNEX A

MOODY'S RECOVERY RATES

The **"Moody's Recovery Rate"** is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

- (a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate; or
- (b) if the preceding clause does not apply to the Collateral Obligation, except with respect to Corporate Rescue Loans, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans	Second Lien Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes *	Unsecured Senior Loans, Unsecured Bonds, Mezzanine Obligations, and High Yield Bonds
+2 or more	60.0%	55.0%	45.0%
+1	50.0%	45.0%	35.0%
0	45.0%	35.0%	30.0%
-1	40.0%	25.0%	25.0%
-2	30.0%	15.0%	15.0%
-3 or less	20.0%	5.0%	5.0%

or,

- (c) if the Collateral Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50 per cent.

* If such Collateral Obligation does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be an Unsecured Bond, Unsecured Senior Loan or High Yield Bond for the purposes of this table.

"Moody's Senior Secured Loan" means:

- (a) a loan that:
 - (i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);
 - (ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the

subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and

- (iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and
- (b) the loan is not:
- (i) a Corporate Rescue Loan; or
 - (ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"Senior Secured Bond" means any obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a fixed rate, (d) does not constitute and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained) and (f) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"Unsecured Bond" means any of a senior unsecured obligation that (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences an Unsecured Senior Loan) and (c) which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such obligation except for borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained).

ANNEX B
FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "Certificate") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the value of the Class D Notes, the Class E Notes and the Subordinated Notes (determined separately by class) issued by Carlyle Global Market Strategies Euro CLO 2014-2 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 and disposition of the Class D Notes, the Class E Notes and the 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 Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the 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 D Notes, the Class E Notes and 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 D Notes, Class E Notes or the Subordinated Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4. ☐ None of Sections (1) Through (3) Above Apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.
5. No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Class D Notes, the Class E Notes or the 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 or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class D Notes, the Class E Notes or the 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 Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the value of the Class D Notes, the Class E Notes or the Subordinated Notes (determined separately by class), the Class D Notes, the Class E Notes or 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 Noteholder within 14 days after the date of such notice;
- (ii) if we fail to transfer our Class D Notes, Class E Notes or Subordinated Notes, the Issuer shall have the right, without further notice to us, to sell our Class D Notes, Class E Notes or Subordinated Notes or our interest in the Class D Notes, Class E Notes or Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;
- (iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Class D Notes, Class E Notes or the 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 D Notes, Class E Notes or the 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 D Notes, the Class E 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 D Notes, Class E 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 D Notes, Class E Notes or the Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Class D Notes, Class E 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 D Notes, Class E Notes or 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 D Notes, the Class E Notes or the Subordinated Notes (determined separately by class) upon any subsequent transfer of the Class D Notes, Class E Notes or 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, Citigroup Global Markets Limited and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Citigroup Global Markets Limited, the Collateral Manager, any Collateral Manager Related Person, Affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the Class D Notes, the Class E Notes or the 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 of the Class D Notes, the Class E Notes or the 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 Trustee is as follows:
State Street Bank and Trust Company, 1 Iron Street, Boston, MA 02210.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

[Insert Purchaser's Name]

By:

Name:

Title:

Dated:

This Certificate relates to €_____ of [Class D Notes]/[Class E Notes]/[Subordinated Notes]

REGISTERED OFFICE OF THE ISSUER

Carlyle Global Market Strategies Euro CLO
2014-2 Limited
53 Merrion Square
Dublin 2
Ireland

COLLATERAL MANAGER

CELF Advisors LLP

Landsdowne House
57 Berkeley Square
London W1J 6ER

**COLLATERAL ADMINISTRATOR,
CALCULATION AGENT, PRINCIPAL
PAYING AGENT, ACCOUNT
BANK, CUSTODIAN, REGISTRAR,
INFORMATION AGENT
AND TRANSFER AGENT**

**U.S. PAYING AGENT
State Street Bank and Trust**

Company
1 Iron Street
Boston
MA 02210

State Street Bank and Trust

Company
1 Iron Street
Boston
MA 02210

**TRUSTEE
State Street Bank and Trust**

Company
1 Iron Street
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Dublin 2
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LISTING AGENT

Arthur Cox Listing Services Limited

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ISSUER**

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PAYING AGENT, ACCOUNT BANK,
CUSTODIAN, REGISTRAR AND
TRANSFER AGENT**

**US PAYING AGENT
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MA 02116

State Street Bank and Trust Company

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MA 02116

**TRUSTEE
State Street Bank and Trust
Company**

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