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THE ISSUE DATE PAYMENTS REPORT PREPARED AS OF 3 APRIL 2017, WHICH IS ATTACHED IN ANNEX C, OF THIS PROSPECTUS, IS BEING PROVIDED BY THE ISSUER, IS INCORPORATED HEREIN AND WAS PREPARED THROUGH THE ISSUER'S AGENT, THE COLLATERAL ADMINISTRATOR (AND REVIEWED BY THE PORTFOLIO MANAGER), PURSUANT TO THE TERMS OF THE TRUST DEED AND PORTFOLIO MANAGEMENT AGREEMENT. THE ISSUE DATE PAYMENTS REPORT HAS NOT BEEN PREPARED, AUDITED OR OTHERWISE REVIEWED BY ANY ACCOUNTING FIRM, INDEPENDENT ACCOUNTANTS OR ANY OTHER THIRD PARTY, EITHER IN CONNECTION WITH THE OFFERING OF THE REFINANCING NOTES OR OTHERWISE AND IS BASED ON MATERIALS PROVIDED BY THE PORTFOLIO MANAGER AND OTHER THIRD PARTY SOURCES. NO OTHER INDEPENDENT THIRD-PARTY HAS REVIEWED, VERIFIED OR CONFIRMED THE INFORMATION SET FORTH THEREIN OR THE ASSUMPTIONS, INTERPRETATIONS OR CONCLUSIONS NECESSARY TO PREPARE THE ISSUE DATE PAYMENTS REPORT. THE PLACEMENT AGENT, THE PORTFOLIO MANAGER AND THE COLLATERAL ADMINISTRATOR ARE NOT RESPONSIBLE TO INVESTORS FOR, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE PLACEMENT AGENT, THE COLLATERAL ADMINISTRATOR OR THE PORTFOLIO MANAGER OR ANY OTHER PARTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE ACCURACY OF SUCH INFORMATION.

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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 Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or any other jurisdiction and the Notes may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

The document and any information contained herein shall remain our property and, in sending the document to you, no rights (including any intellectual property rights) over the document and the information contained herein has been given to you.

Confirmation of Your Representation: In order to be eligible to view the document or make an investment decision with respect to the Notes, investors must either be (a) U.S. persons (as defined in Regulation S) that are QIBs that are also QPs or (b) non-U.S. persons (as defined in Regulation S) outside the U.S. in compliance with Regulation S under the Securities Act. The document is being sent at your request and by accepting the e-mail and accessing the document, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) both QIBs and QPs or (b) non-U.S. persons (as defined in Regulation S) 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 and (3) that you consent to delivery of the document by electronic transmission.

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

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently J.P. Morgan Securities plc (or any person who controls it or any director, officer, employee or agent of it, or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

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

On the Issue Date, without the express written consent of the Portfolio Manager in the form of a U.S. Risk Retention Waiver, Refinancing Notes may not be acquired by "U.S. persons" as defined in the U.S. Retention Rules. Additionally, during the Restricted Period, without the express written consent of the Portfolio Manager in the form of a U.S. Risk Retention Waiver, Notes may not be transferred to "U.S. persons" as defined in the U.S. Retention Rules. Prospective investors should note that the definition of "U.S. person" in the U.S. Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. Certain investors may be required by the Portfolio Manager to execute a written certification of representation letter in respect of their status under the U.S. Retention Rules.

HARVEST CLO VII DESIGNATED ACTIVITY COMPANY

(previously named Harvest CLO VII Limited)

(a designated activity company limited by shares incorporated under the laws of Ireland, under company number 528119)

€2,000,000 Class X-R Senior Secured Floating Rate Notes due 2031
€174,900,000 Class A-R Senior Secured Floating Rate Notes due 2031
€39,200,000 Class B-R Senior Secured Floating Rate Notes due 2031
€21,000,000 Class C-R Senior Secured Deferrable Floating Rate Notes due 2031
€14,600,000 Class D-R Senior Secured Deferrable Floating Rate Notes due 2031
€18,600,000 Class E-R Senior Secured Deferrable Floating Rate Notes due 2031
€9,400,000 Class F-R Senior Secured Deferrable Floating Rate Notes due 2031
€42,000,000 Subordinated Notes due 2031*

*The Subordinated Notes were issued on the Original Issue Date and are not being offered pursuant to this Prospectus

The assets securing the Notes (as defined below) will consist of a portfolio of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds (each as defined herein) managed by Investcorp Credit Management EU Limited (the "**Portfolio Manager**").

On 12 September 2013 (the "**Original Issue Date**"), Harvest CLO VII Designated Activity Company (the "**Issuer**") issued €177,000,000 Class A Senior Secured Floating Rate Notes due 2025 (the "**Original Class A Notes**"), €34,000,000 Class B Senior Secured Floating Rate Notes due 2025 (the "**Original Class B Notes**"), €20,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class C Notes**"), €13,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class D Notes**"), €23,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class E Notes**" and, together with the Original Class A Notes, Original Class B Notes, Original Class C Notes and Original Class D Notes, the "**Refinanced Notes**") and €42,000,000 Subordinated Notes due 2025 (the "**Subordinated Notes**" and, together with the Refinanced Notes, the "**Original Notes**").

On or about 12 April 2017 (the "**Issue Date**"), the Issuer will, subject to certain conditions, refinance the Refinanced Notes by issuing €2,000,000 Class X Senior Secured Floating Rate Notes due 2031 (the "**Class X-R Notes**"), €174,900,000 Class A-R Senior Secured Floating Rate Notes due 2031 (the "**Class A-R Notes**"), €39,200,000 Class B-R Senior Secured Floating Rate Notes due 2031 (the "**Class B-R Notes**"), €21,000,000 Class C-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class C-R Notes**"), €14,600,000 Class D-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class D-R Notes**"), €18,600,000 Class E-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class E-R Notes**") and €9,400,000 Class F-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class F-R Notes**" and, together with the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes, the "**Refinancing Notes**" and, together with the Subordinated Notes, the "**Notes**"). The Refinanced Notes will be redeemed in full on the Issue Date from the proceeds of the issue of the Refinancing Notes.

The Refinancing Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated 12 September 2013, as supplemented on or about the Issue Date made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed). The Subordinated Notes were issued on the Original Issue Date and are not being offered pursuant to this Prospectus. The terms and conditions applicable to the Subordinated Notes will be amended in accordance with the Terms and Conditions of the Notes outlined in this Prospectus.

Interest on the Refinancing Notes will be payable quarterly in arrear on 12 January, 12 April, 12 July, 12 October prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 12 January and 12 July (where the Payment Date (as defined herein) immediately following the occurrence of a Frequency Switch Event falls in either January or July), or 12 April and 12 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 12 July 2017, and ending on the Maturity Date (as defined below) (subject to any earlier redemption of the Notes in accordance with the Conditions), in accordance

with the Priorities of Payment described herein.

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

It is a condition of the issue and sale of the Refinancing Notes that the Refinancing Notes be issued with at least the following ratings from Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Fitch Ratings Limited ("**Fitch**" and, together with S&P, the "**Rating Agencies**", and each, a "**Rating Agency**"): the Class X-R Notes: "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class A-R Notes: "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B-R Notes: "AA(sf)" from S&P and "AAsf" from Fitch; the Class C-R Notes: "A(sf)" from S&P and "Asf" from Fitch; the Class D-R Notes: "BBB(sf)" from S&P and "BBBs" from Fitch; the Class E-R Notes: "BB(sf)" from S&P and "BBs" from Fitch; and the Class F-R Notes: "B-(sf)" from S&P and "B-sf" from Fitch. The Subordinated Notes are not rated.

The Refinancing Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to persons that are not U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside the United States to U.S. persons (as such term is defined in Regulation S), 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 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 Portfolio Manager intends to rely on an exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, (a) on the Issue Date the Refinancing Notes may not be purchased by any person except for (i) persons that are not "**U.S. persons**" as defined in the U.S. Retention Rules ("**Risk Retention U.S. Persons**") or (ii) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager ("**U.S. Risk Retention Transfer Restriction**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Certain investors and transferees may be required by the Portfolio Manager to execute a written certification of representation letter in respect of their status under the U.S. Retention Rules.

The Refinancing Notes are being issued at a maximum issue price of up to 100 per cent. of the principal amount thereof. The Refinancing Notes are being offered by the Issuer through J.P. Morgan Securities plc 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 subject to certain conditions. The Retention Notes were purchased directly from the Issuer by the Retention Holder on the Original Issue Date.

The Placement Agent may, on behalf of the Issuer, place the Refinancing Notes at prices as may be negotiated at the time of sale and which may vary among different purchasers and which may be different to the issue price of the Refinancing Notes.

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

The date of this Prospectus is 11 April 2017.

J.P. Morgan

Placement Agent

PRIORITIES OF NOTES

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

LIMITED RECOURSE

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

RESPONSIBILITY

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

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

DISCLAIMER

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

OFFER/INVITATION/DISTRIBUTION RESTRICTIONS

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER, THE PLACEMENT AGENT OR ANY OF ITS AFFILIATES, THE PORTFOLIO MANAGER, THE COLLATERAL ADMINISTRATOR OR ANY OTHER PERSON TO SUBSCRIBE FOR OR PURCHASE ANY OF THE REFINANCING NOTES. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE REFINANCING NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER AND THE PLACEMENT AGENT TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. IN PARTICULAR, THE COMMUNICATION CONSTITUTED BY THIS PROSPECTUS IS DIRECTED ONLY AT PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM AND ARE OFFERED AND ACCEPT THIS PROSPECTUS IN COMPLIANCE WITH SUCH RESTRICTIONS OR (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (*HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.*) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SO THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS COMMUNICATION MUST NOT BE DISTRIBUTED TO, ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE REFINANCING NOTES AND DISTRIBUTION OF THIS PROSPECTUS, SEE "*PLAN OF DISTRIBUTION*" AND "*TRANSFER RESTRICTIONS*". THE NOTES ARE NOT INTENDED TO BE SOLD AND SHOULD NOT BE SOLD TO RETAIL INVESTORS. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU.

UNAUTHORISED INFORMATION

IN CONNECTION WITH THE ISSUE AND SALE OF THE REFINANCING NOTES, NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OR ON BEHALF OF THE ISSUER, THE TRUSTEE, THE PORTFOLIO MANAGER, THE PLACEMENT AGENT OR THE COLLATERAL ADMINISTRATOR. THE DELIVERY OF THIS PROSPECTUS AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION CONTAINED IN IT IS CORRECT AS AT ANY TIME SUBSEQUENT TO ITS DATE.

GENERAL NOTICE

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

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS. INVESTORS SHOULD BE

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

EU 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 EU Retention Requirements or any other regulatory requirement. None of the Issuer, the Portfolio Manager, the Collateral Administrator, the Placement Agent, the Trustee, their respective affiliates or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the requirements of the EU Retention Requirements or any other applicable legal, regulatory or other requirements. Each prospective investor in the Refinancing Notes which is subject to the EU Retention Requirements 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– European Risk Retention*".

VOLCKER RULE

Section 619 of the US Dodd-Frank Act (the "**Volcker Rule**") prohibits a "banking entity" (a term which includes a banking institution organised in the United States and any of its affiliates, regardless of where such affiliate is located or organised and also includes a banking institution organised outside the United States with a branch or agency office in the US and any of its affiliates, regardless of where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, or (ii) directly or indirectly acquiring or retaining any "ownership interest" in, or "sponsoring", a "covered fund", subject to certain exemptions.

An "ownership interest" is defined broadly and may arise through the right under the terms of the interest to receive a share of the income gains or profits of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund".

A "covered fund" is defined broadly, and includes any issuer which would be an investment company under the Investment Company Act but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exemptions found in the Volcker Rule's implementing regulations, which would extend to the Issuer given its intention to rely on section 3(c)(7). 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 or exclusions.

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

The Transaction Documents provide that the right of holders of the Notes in respect of the removal of the Portfolio Manager and selection of a replacement portfolio manager shall only be exercisable upon a Portfolio Manager Event of Default. The holders of any Class A-R Notes, Class B-R Notes, Class C-R Notes and/or Class D-R Notes in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes are disenfranchised in respect of any PM Removal Resolution or PM Replacement Resolution. However, there can be no assurance that these features will be effective in resulting in such investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule not being characterised as an "ownership interest" in the Issuer.

No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Refinancing Notes, and accordingly none of the Issuer, the Portfolio Manager, or the Placement Agent makes any representation regarding (i) the status of the Issuer under the Volcker Rule (including whether it is a "covered fund" for such purpose) or (ii) the ability of any purchaser to acquire or hold the Refinancing Notes, now or at any time in the future. Each prospective investor in the Refinancing Notes should independently consider and consult with its legal advisors on the potential impact of the Volcker Rule in respect of any investment in the Refinancing Notes.

INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES

The Rule 144A Notes of each Class of the Refinancing Notes (the "**Rule 144A Notes**") will be sold only to "**qualified institutional buyers**" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "**qualified purchasers**" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). The Refinancing Notes which are Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes) will each be represented on issue by beneficial interests in one or more permanent Global Certificates of such Class (each a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Regulation S Notes of each Class of the Refinancing Notes (the "**Regulation S Notes**") sold outside the United States to non-U.S. persons (as defined in Regulation S) in reliance on Regulation S ("**Regulation S**") under the Securities Act will each (other than, in certain circumstances, the Subordinated Notes) be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream Luxembourg, or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. persons (as defined in Regulation S) 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. In each case, purchasers and transferees of Refinancing 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 Refinancing Notes (other than a non-U.S. persons (as defined in Regulation S) outside the U.S.) will be deemed to have represented and agreed that it is both a QIB and a QP and will also be deemed to have made the representations set out in "*Transfer Restrictions*" herein. The purchaser of any Refinancing Note, by such purchase, agrees that such Refinancing Note is being acquired for its own account and not with a view to distribution 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 (as defined in Regulation S) 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*".

On the Issue Date, the Refinancing Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the Portfolio Manager. Additionally, during the Restricted Period, the Notes may not be transferred to any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver (as defined herein) from the

Portfolio Manager. Purchasers and transferees of the Notes, including beneficial interests therein, will be deemed and in certain circumstances will be required to have made certain representations and agreements, including that each purchaser or transferee (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Retention Rules). Certain investors may be required by the Portfolio Manager to execute a written certification of representation letter in respect of their status under the U.S. Retention Rules. See "*Form of the Notes*", "*Book-Entry Clearance Procedures*" and "*Plan of Distribution*" below.

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

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

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and the Placement Agent reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, 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 Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer or the Placement Agent, is prohibited. Any reproduction or distribution of this Prospectus in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

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

AVAILABLE INFORMATION

To permit compliance with the Securities Act in connection with the sale of the 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.

CURRENCIES

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

REPORTS

THE ISSUE DATE PAYMENTS REPORT PREPARED AS OF 3 APRIL 2017, WHICH IS ATTACHED IN ANNEX C OF THIS PROSPECTUS, IS BEING PROVIDED BY THE ISSUER, IS INCORPORATED HEREIN AND WAS PREPARED THROUGH THE ISSUER'S AGENT, THE COLLATERAL ADMINISTRATOR (AND REVIEWED BY THE PORTFOLIO MANAGER), PURSUANT TO THE TERMS OF THE TRUST DEED AND PORTFOLIO MANAGEMENT AGREEMENT. THE ISSUE DATE PAYMENTS REPORT HAS NOT BEEN PREPARED, AUDITED OR OTHERWISE REVIEWED BY ANY ACCOUNTING FIRM, INDEPENDENT ACCOUNTANTS OR ANY OTHER THIRD PARTY, EITHER IN CONNECTION WITH THE OFFERING OF THE REFINANCING NOTES OR OTHERWISE AND IS BASED ON MATERIALS PROVIDED BY THE PORTFOLIO MANAGER AND OTHER THIRD PARTY SOURCES. NO OTHER INDEPENDENT THIRD-PARTY HAS REVIEWED, VERIFIED OR CONFIRMED THE INFORMATION SET FORTH THEREIN OR THE ASSUMPTIONS, INTERPRETATIONS OR CONCLUSIONS NECESSARY TO PREPARE THE ISSUE DATE PAYMENTS REPORT. THE PLACEMENT AGENT, THE PORTFOLIO MANAGER AND THE COLLATERAL ADMINISTRATOR ARE NOT RESPONSIBLE TO INVESTORS FOR, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE PLACEMENT AGENT, THE COLLATERAL ADMINISTRATOR OR THE PORTFOLIO MANAGER OR ANY OTHER PARTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE ACCURACY OF SUCH INFORMATION.

NO STABILISATION

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

COMMODITY POOL REGULATION

BASED UPON INTERPRETATIVE GUIDANCE PROVIDED BY THE US COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"), THE ISSUER IS NOT EXPECTED TO BE TREATED AS A COMMODITY POOL, AND AS SUCH, THE ISSUER (OR THE PORTFOLIO MANAGER ON THE ISSUER'S BEHALF) MAY ENTER INTO HEDGE AGREEMENTS SUBJECT TO (I) A HEDGE TRANSACTION COMPLYING WITH THE HEDGE AGREEMENT ELIGIBILITY CRITERIA AT THE TIME OF ENTRY INTO SUCH HEDGE TRANSACTION OR (II) THE RECEIPT BY THE PORTFOLIO MANAGER (ON BEHALF OF THE ISSUER) OF LEGAL ADVICE FROM REPUTABLE LEGAL COUNSEL OF INTERNATIONAL STANDING TO THE EFFECT THAT THE ENTRY INTO SUCH ARRANGEMENTS SHALL NOT REQUIRE ANY OF THE ISSUER, ITS DIRECTORS OR OFFICERS OR THE PORTFOLIO MANAGER TO REGISTER WITH THE UNITED STATES COMMODITIES FUTURES TRADING COMMISSION AS A COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISOR PURSUANT TO THE UNITED STATES COMMODITY EXCHANGE ACT OF 1936, AS AMENDED, WITH RESPECT TO THE ISSUER.

THEREFORE, UNLIKE A REGISTERED CPO, THE PORTFOLIO MANAGER WOULD NOT BE REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE

INVESTORS, NOR WOULD IT BE REQUIRED TO PROVIDE INVESTORS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOS. THIS PROSPECTUS HAS NOT BEEN REVIEWED OR APPROVED BY THE COMMODITY FUTURES TRADING COMMISSION.

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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 and related documents referred to herein, it being understood and agreed by each investor and prospective investor in the Refinancing Notes that the Placement Agent (i) did not participate in the preparation of the Issue Date Payments Report or any financial statements of the Issuer, (ii) is relying on representations from the Issuer as to the accuracy and completeness of the information contained in the Issue Date Payments Report and (iii) shall have no responsibility whatsoever for the contents of the Issue Date Payments Report or any financial statements of the Issuer. Capitalised terms not specifically defined in this overview have the meanings set out in Condition 1 (Definitions) under "Terms and Conditions of the Notes" below or are defined elsewhere in this Prospectus. An index of defined terms appears at the back of this Prospectus. References to a "Condition" or "Conditions" are to the specified Condition or Conditions in the "Terms and Conditions of The Notes" below. For a discussion of certain risk factors to be considered in connection with an investment in the Notes, see "Risk Factors".

Issuer Harvest CLO VII Designated Activity Company (previously named Harvest CLO VII Limited), a designated activity company limited by shares incorporated under the Companies Act 2014.

Portfolio Manager Investcorp Credit Management EU Limited will perform certain portfolio management services with respect to the Portfolio in accordance with a portfolio management agreement dated 12 September 2013, as amended and restated on the Issue Date between, among others, the Issuer and the Portfolio Manager (the "**Portfolio Management Agreement**"). Pursuant to the Portfolio Management Agreement, the Issuer delegates authority to the Portfolio Manager to carry out certain functions in relation to the Portfolio and any hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee. See "*Description of the Portfolio Management Agreement*" and "*The Portfolio*". The Portfolio Manager will receive certain fees for such portfolio management functions as described below.

Notes

Class of Notes ⁵	Principal Amount	Initial Stated Interest Rate at the Issue Date ²	Alternative Stated Interest Rate ³	S&P Rating ¹	Fitch Rating ¹	Stated Maturity
Class X-R	€2,000,000	3 month EURIBOR + 0.85%	6 month EURIBOR + 0.85%	"AAA(sf)"	"AAAsf"	12 April 2031
Class A-R	€174,900,000	3 month EURIBOR + 0.92%	6 month EURIBOR + 0.92%	"AAA(sf)"	"AAAsf"	12 April 2031
Class B-R	€39,200,000	3 month EURIBOR + 1.50%	6 month EURIBOR + 1.50%	"AA(sf)"	"AAAsf"	12 April 2031
Class C-R	€21,000,000	3 month EURIBOR + 2.25%	6 month EURIBOR + 2.25%	"A(sf)"	"Asf"	12 April 2031
Class D-R	€14,600,000	3 month EURIBOR	6 month EURIBOR +	"BBB(sf)"	"BBBsf"	12 April 2031

		+ 3.40%	3.40%			
Class E-R	€18,600,000	3 month EURIBOR + 5.45%	6 month EURIBOR + 5.45%	"BB(sf)"	"BBsf"	12 April 2031
Class F-R	€9,400,000	3 month EURIBOR + 7.44%	6 month EURIBOR + 7.44%	"B-(sf)"	"B-sf"	12 April 2031
Subordinated Notes ⁴	€42,000,000	N/A	N/A	N/A	N/A	12 April 2031

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

² Applicable at any time in respect of each Accrual Period commencing prior to the occurrence of a Frequency Switch Event.

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

⁴ The Subordinated Notes were issued on the Original Issue Date and are not being offered pursuant to this Prospectus.

⁵ The Placement Agent may offer the Refinancing Notes at prices as may be negotiated at the time of sale, which may vary among different purchasers and which may be different to the issue price of the Refinancing Notes.

Trustee	U.S. Bank Trustees Limited
Collateral Administrator	Elavon Financial Services DAC
Custodian	Elavon Financial Services DAC
Principal Paying Agent	Elavon Financial Services DAC
Account Bank	Elavon Financial Services DAC
Registrar and Transfer Agent	U.S. Bank National Association
Placement Agent	J.P. Morgan Securities plc
Eligible Purchasers	<p>The Refinancing Notes of each Class will be offered:</p> <ul style="list-style-type: none"> (a) outside of the United States to non-U.S. persons (as defined in Regulation S) in "offshore transactions" in reliance on Regulation S under the Securities Act; and (b) within the United States to persons and outside the United States to U.S. persons (as defined in Regulation S) in each case who are QIBs/QPs.
Cash Flows on the Issue Date	<p>The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €278,007,800. Such proceeds will be used by the Issuer together with certain Principal Proceeds (representing any Excess Par Amount) and Interest Proceeds in accordance with the Conditions to (i) redeem the Refinanced Notes at their respective aggregate Redemption Prices, (ii) pay certain Administrative Expenses (including Refinancing Costs) and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions and (iii) certain other amounts, including distributions to Subordinated Noteholders, in accordance with the Post-Acceleration Priority of Payments (as set out in the Issue Date</p>

Payments Report annexed hereto at Annex C).

Distributions on the Notes

Stated Note Interest

Interest on the Notes will be payable quarterly in arrear on 12 January, 12 April, 12 July, 12 October prior to the occurrence of a Frequency Switch Event (as defined herein), and semi-annually in arrear on 12 January and 12 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July), or 12 April and 12 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October) following the occurrence of a Frequency Switch Event (or, in each case, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)), in each year, commencing on 12 July 2017, and ending on the Maturity Date (subject to any earlier redemption of the Notes in accordance with the Conditions), in accordance with the Priorities of Payment described herein.

The Issuer and the Portfolio Manager may (and shall if so directed by an Ordinary Resolution of the Subordinated Noteholders) designate a date other than a Scheduled Payment Date as a Payment Date provided that, inter alia, it falls on a Business Day falling on or after the redemption in full of all Classes of Rated Notes (see Condition 3(j)(xii) (*Unscheduled Payment Dates*)).

Deferral of Interest

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes in accordance with the Priorities of Payment shall not constitute a Note Event of Default unless and until (a) such failure continues for a period of five consecutive Business Days and (b) in respect of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, such non-payment of interest is in respect of a Payment Date on or after the Payment Date immediately following the occurrence of a Frequency Switch Event (such Payment Date, a "**Relevant Payment Date**") and:

- (a) in the case of non-payment of interest due and payable on the Class C-R Notes, the Class X-R Notes, the Class A-R Notes and the Class B-R Notes have been redeemed in full;
- (b) in the case of non-payment of interest due and payable on the Class D-R Notes, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes and the Class C-R Notes have been redeemed in full;
- (c) in the case of non-payment of interest due and payable on the Class E-R Notes, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes have been redeemed in full; and
- (d) in the case of non-payment of interest due and payable on the Class F-R Notes, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes have been

redeemed in full,

and except in each case as the result of any deduction therefrom or the imposition of any withholding thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and/or the Class F-R Notes are not made on the relevant Payment Date where a more senior Class of Notes remains Outstanding or such Payment Date is not on or following a Relevant Payment Date, an amount of interest equal to any shortfall in payment of the relevant interest amount will be added to the principal amount of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, as applicable, and thereafter will accrue interest at the relevant rate of interest applicable to such Notes until paid. See Condition 6(c) (*Deferral of Interest*).

Non-payments of amounts due and payable on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds will not constitute a Note Event of Default.

Principal Payments on the Notes

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

- (a) on the Maturity Date (see Condition 7(a) (*Final Redemption*));
- (b) on any Payment Date in the case of the Par Value Tests and the Interest Coverage Tests following a breach of the Coverage Tests (see Condition 7(c) (*Redemption upon Breach of Coverage Tests*));
- (c) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by (i) the Subordinated Noteholders (by way of Ordinary Resolution) or (ii) the Retention Holder (see Condition 7(b)(i)(A) (*Optional Redemption in Whole - Subordinated Noteholders*));
- (d) in part by redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Payment Date following the expiry of the Non-Call Period at the direction of (i) the Subordinated Noteholders (acting by way of Ordinary Resolution) or (ii) the Portfolio Manager, as long as the Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes (see Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*));
- (e) on any Payment Date following the occurrence of a Note Tax Event at the option of either the Controlling Class or the Subordinated Noteholders (in each case acting by way of Extraordinary Resolution and for the avoidance of doubt, where such an Extraordinary Resolution is passed by the Controlling Class (or the Subordinated Noteholders, as applicable) without regard to whether or not such an Extraordinary Resolution is also passed by the Subordinated Noteholders (or the Controlling Class, as applicable)) subject to the satisfaction of certain

conditions (see Condition 7(d) (*Redemption following a Note Tax Event*));

- (f) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the occurrence of a Collateral Tax Event at the option of the Subordinated Noteholders (acting by way of Ordinary Resolution) (see Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*));
- (g) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Payment Date following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Portfolio Manager (on behalf of the Issuer) (see Condition 7(b)(iii) (*Optional Redemption in Whole - Portfolio Manager Clean-up Call*));
- (h) 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*));
- (i) on any Payment Date during the Reinvestment Period at the discretion of the Portfolio Manager (acting on behalf of the Issuer) following written notification by the Portfolio Manager to the Trustee that it has been unable, for a period of 20 consecutive Business Days, to identify a sufficient quantity of additional or Substitute Collateral Debt Obligations in which to invest or reinvest Principal Proceeds (see Condition 7(e) (*Special Redemption*));
- (j) on any Payment Date during the Reinvestment Period following a breach of the Additional Reinvestment Test in accordance with the provisions of paragraph (U) of the Interest Proceeds Priority of Payments and Condition 7(e) (*Special Redemption*) to the extent necessary to cause the Additional Reinvestment Test to be met;
- (k) upon the occurrence of a Note Event of Default which has not been cured and the acceleration of the Notes in accordance with the Post-Acceleration Priority of Payments (see Condition 10 (*Events of Default*)); and
- (l) the Class X-R Notes shall be subject to mandatory redemption in part on each of the first four Payment Dates immediately following the Issue Date, in each case in an amount equal to the Class X-R Principal Amortisation Amount (see Condition 7(l) (*Mandatory Redemption of Class X-R Notes*)).

Optional Redemption

During Non-Call Period

During the period from the Issue Date up to, but excluding, 12 April 2019 (the "**Non-Call Period**"), the Notes are not subject to redemption at the option of the Noteholders (save for (i) upon the occurrence of a Note Tax Event (see Condition 7(d) (*Redemption following a Note Tax Event*)) at the option of the Controlling Class or the Subordinated Noteholders, in each case acting by Extraordinary Resolution; or (ii) following the occurrence of a

Collateral Tax Event at the option of the Subordinated Noteholders acting by Ordinary Resolution (see Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*)));

Redemption Prices

The Redemption Price of any Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R Note, Class E-R Note and Class F-R Note will be (a) 100 per cent. of the Principal Amount Outstanding of the Notes to be redeemed as at such date plus (b) accrued and unpaid interest (including any Deferred Interest (if applicable)) thereon to the day of redemption.

The Redemption Price for each Subordinated Note will be 100 per cent. of the Principal Amount Outstanding thereof (if any) or, if greater, its *pro rata* share (calculated in accordance with paragraph (BB) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments as applicable) of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the applicable Priorities of Payment.

Priorities of Payment

Prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) or following such acceleration which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*) and other than in connection with an Optional Redemption in whole pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*), Interest Proceeds will be applied in accordance with the Interest Proceeds Priority of Payments, Principal Proceeds will be applied in accordance with the Principal Proceeds Priority of Payments and Collateral Enhancement Obligation Proceeds will be applied in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments. Upon any Optional Redemption in whole of the Notes in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) or following the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*), Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds will be applied in accordance with the Post-Acceleration Priority of Payments.

Security for the Notes

The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Debt Obligations consisting of Euro and non-Euro denominated Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds of various issuers and borrowers in Qualifying Countries. The Notes will also be secured by an assignment by way of security of various of the Issuer's other rights, including its rights under certain of the agreements described herein (but excluding its rights in respect of the Irish Account and the Issuer Corporate Services Agreement). See Condition 4 (*Security*).

Hedge Arrangements

Subject to (i) a Hedge Agreement complying with the Hedge Agreement Eligibility Criteria at the time of entry into such Hedge Agreement, or (ii) the receipt by the Portfolio Manager of legal advice from reputable legal counsel to the effect that the entry into

such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodities Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, the Issuer will enter into hedging arrangements to hedge the interest rate and currency risk in respect of the Portfolio on the Issue Date and upon acquisition of applicable Collateral Debt Obligations. The Issuer will obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless in a form in respect of which Rating Agency Confirmation has previously been obtained. See "*Hedging Arrangements*".

***Non-Euro Obligations
and Asset Swap
Transactions***

The Issuer may purchase any Collateral Debt Obligation that is denominated in a currency other than Euro (each a "**Non-Euro Obligation**") provided that an Asset Swap Transaction is entered into by the Issuer (or the Portfolio Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto, unless such Asset Swap Transaction is a Form-Approved Asset Swap), no later than the settlement of the acquisition thereof.

Under each Asset Swap Transaction, the currency risk arising from the receipt of cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Asset Swap Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein. See "*The Portfolio– Non-Euro Obligations*" and "*Hedging Arrangements*".

Interest Rate Hedging

The Issuer (or the Portfolio Manager on its behalf) may enter into Interest Rate Hedge Transactions with one or more Interest Rate Hedge Counterparties satisfying the Rating Requirement in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof unless in a form previously approved by the Rating Agencies. In accordance with the Portfolio Profile Tests, no more than 5.0 per cent. of the Aggregate Collateral Balance may consist of Unhedged Fixed Rate Collateral Debt Obligations.

Portfolio Management Fees

***Senior Portfolio
Management Fee***

The fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period equal to 0.10 per cent. per annum of the Average Aggregate Collateral Balance (exclusive of VAT), calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months. See "*Description of the Portfolio Management Agreement– Fees*".

***Subordinated Portfolio
Management Fee***

The fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period equal to 0.40 per cent. per annum of the Average Aggregate Collateral Balance (exclusive of VAT), calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, in each case, on the basis of a 360-day year comprised of twelve 30-day months. See

"Description of the Portfolio Management Agreement– Fees".

Incentive Management Fee

The fee payable to the Portfolio Manager in arrear on each Payment Date equal to the sum of 20 per cent. of all amounts payable in respect of any Interest Proceeds and Principal Proceeds remaining on each Payment Date after the Incentive Management Fee IRR Threshold has been reached (exclusive of VAT). See the definition of Incentive Management Fee and Incentive Management Fee IRR Threshold in Condition 1 (*Definitions*) and *"Description of the Portfolio Management Agreement– Fees"*.

Purchase of Collateral Debt Obligations

Reinvestment in Collateral Debt Obligations

Subject to the limits described in the Priorities of Payment and Principal Proceeds available from time to time, the Portfolio Manager shall, on behalf of the Issuer, use reasonable endeavours to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period. See *"The Portfolio"*.

Following expiry of the Reinvestment Period, only Sale Proceeds from the sale of Credit Impaired Obligations, Credit Improved Obligations and Unscheduled Principal Proceeds received after the Reinvestment Period may be reinvested by the Issuer (or the Portfolio Manager on behalf of the Issuer), in Substitute Collateral Debt Obligations meeting the Eligibility Criteria and Reinvestment Criteria. See *"The Portfolio"*.

Reports

Attached to this Prospectus at Annex C is a copy of the Issue Date Payments Report, which includes information such as (i) regarding the Collateral Debt Obligations held by the Issuer and (ii) compliance with the Coverage Tests, Collateral Quality Test and other tests and requirements, in each case during the respective period covered by such report. The information contained in the Issue Date Payments Report attached to this Prospectus is limited and has not been verified or audited. The Placement Agent is not responsible for the information contained in Issue Date Payments Report attached to this Prospectus.

Existing Collateral Debt Obligations

The Issuer has been acquiring and selling Collateral Debt Obligations since the Original Issue Date. Certain information relating to the Issuer's Portfolio of Collateral Debt Obligations as of 3 April 2017 is included in the Issue Date Payments Report, prepared pursuant to the Transaction Documents and attached hereto as Annex C, and should be read in conjunction with this Prospectus as it is integral to understanding and evaluating the information contained in this Prospectus.

Eligibility Criteria

In order to qualify as a Collateral Debt Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Portfolio Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Original Issue Date Collateral Debt Obligation which was also required to satisfy the Eligibility Criteria on the Original Issue Date and save for an obligation which has been restructured whether effected by way of an amendment to the terms of such obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor which shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation. See "*The Portfolio—Eligibility Criteria*".

Restructured Obligations

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

Collateral Quality Tests

The Collateral Quality Tests will comprise the following:

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

- (a) the S&P CDO Monitor Test (until the expiry of the Reinvestment Period only); and
- (b) the S&P Minimum Weighted Average Recovery Rate Test.

For so long as any of the Notes rated by Fitch are Outstanding:

- (a) the Fitch Maximum Weighted Average Rating Factor Test; and
- (b) the Fitch Minimum Weighted Average Recovery Rate Test.

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

- (a) the Minimum Weighted Average Spread Test; and
- (b) the Weighted Average Life Test.

Portfolio Profile Tests

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

	Minimum	Maximum
(a) Senior Secured Loans or Senior Secured Bonds in aggregate (which shall include the Balance of the	90.0%	N/A

Principal Account)

(b)	Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds	N/A	10.0%
(c)	Senior Secured Loans or Senior Secured Bonds to a single Obligor	N/A	2.5%
(d)	Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds to a single Obligor	N/A	1.5%
(e)	Participations	N/A	5.0%
(f)	Current Pay Obligations	N/A	2.5%
(g)	Annual Obligations	N/A	5.0% unless Rating Agency Confirmation has been obtained
(h)	Revolving Collateral Obligations/ Delayed Drawdown Collateral Obligations	N/A	5.0%
(i)	S&P CCC Obligations	N/A	7.5%
(j)	Fitch CCC Obligations	N/A	7.5%
(k)	Unhedged Fixed Rate Collateral Debt Obligations	N/A	5.0%
(l)	Non-Euro Obligations	N/A	30.0%
(m)	Bridge Loans	N/A	2.5%
(n)	Corporate Rescue Loans	N/A	5.0% provided that not more than 2.0% shall consist of Corporate Rescue Loans

			from a single Obligor
(o)	Cov-Lite Loans	N/A	30.0% provided that if more than 15.0% of Cov-Lite Loans are rated less than "BB-" by Fitch and "BB-" by S&P, no further purchase of Cov-Lite Loans is permitted until no more than 15.0% of Cov-Lite Loans are rated less than "BB-" by Fitch and "BB-" by S&P
(p)	PIK Securities	N/A	5.0%
(q)	Maximum in any single S&P industry classification	N/A	10.0% provided any two S&P industries may each comprise up to 12.0% and one S&P industry may comprise up to 15.0%
(r)	S&P Rating derived from Moody's Rating	N/A	10.0%
(s)	Domicile of Obligors	N/A	10.0% Domiciled in countries or jurisdictions with a Fitch country ceiling below "AAA" unless Rating Agency Confirmation from Fitch is obtained
(t)	Bivariate Risk Table	N/A	See limits set out in " <i>The Portfolio - Bivariate Risk Table</i> "
(u)	10 largest Obligors	N/A	20.0%

(v)	Acquired from U.S. majority-owned affiliates of the Portfolio Manager	N/A	25.0% acquired from (i) a majority-owned affiliate of the Portfolio Manager or the Issuer that is chartered, incorporated, or organised under the laws of the United States or any state thereof, or (ii) an unincorporated branch or office of the Portfolio Manager or the Issuer that is located in the United States or any state thereof
(w)	Maximum Fitch industry category in any single Fitch industry	N/A	Not more than 17.5 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch industry category and not more than 40 per cent. of the Aggregate Collateral Balance shall be obligations comprising the three largest Fitch industry categories
(x)	Indebtedness of Obligor	N/A	Not more than 5% of the Aggregate Collateral Balance shall be obligations issued by Obligors in respect of which the total potential indebtedness of the relevant

Obligor thereof
under all
underlying
instruments
governing such
Obligor's
indebtedness
has an
aggregate
principal
amount
(whether drawn
or undrawn) of
equal to or
greater than
EUR
150,000,000 but
less than EUR
250,000,000 (or
its equivalent in
any currency)

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

Coverage Tests

Each of the Par Value Tests (other than the Class F-R Par Value Test) and Interest Coverage Tests shall be satisfied on a Measurement Date on and after the Issue Date and the Class F-R Par Value Test shall be satisfied on a Measurement Date following the expiry of the Reinvestment Period, in each case, if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test. Following the failure of one or more Coverage Tests, Interest Proceeds and Principal Proceeds shall be applied on the immediately following Payment Date and each Payment Date thereafter until, after having been recalculated on such date or dates, the applicable Coverage Test or Coverage Tests are satisfied. See Condition 7(c) (*Redemption upon Breach of Coverage Tests*).

Class	Required Par Value Ratio
A-R /B-R	131.12%
C-R	120.41%
D-R	114.14%
E-R	106.82%
F-R	104.03%
Class	Required Interest Coverage Ratio

A-R /B-R	120.00%
C-R	110.00%
D-R	105.00%
E-R	101.00%

***Additional
Reinvestment Test***

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

***Authorised
Denominations***

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

PM Voting Notes, PM Non-Voting Notes and PM Non-Voting Exchangeable Notes

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

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

Form, Registration and Transfer of the Notes

The Regulation S Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) sold outside the United States to non-U.S. persons (as defined in Regulation S) 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 nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may at any time be held only through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg. See "*Form of the Notes*" and "*Book-Entry Clearance Procedures*". Interests in any Regulation S Note may not at any time be held by any U.S. persons (as defined in Regulation S) or U.S. Resident.

The Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. persons (as defined in Regulation S) in each case, who are QIBs/QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Trustee and the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions and such other additional requirements as may be requested by the Trustee and/or the Transfer Agent. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is both a QIB and a QP. See "*Form of the Notes*" and "*Book-Entry Clearance Procedures*".

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

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

A transferee of any Class E-R Notes or the Class F-R Notes will be required or deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person unless such transferee: (i) acquires such Class E-R Notes or Class F-R Notes on the Issue Date; (ii) obtains the written consent of the Issuer; and (iii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus).

A transferee of a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Subordinated Note in the Form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus); and (iii) holds such Subordinated Note in the Form of a Definitive Certificate.

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*". During the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Any transfer in breach of this requirement will result in the affected Notes becoming subject to Condition 2(k) (*Forced Transfer pursuant to U.S. Retention Rules*). See "*Relating to the Notes - The Dodd-Frank Act and U.S. Retention Rules*".

Each purchaser or transferee of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*) and Condition 2(j) (*Forced Transfer pursuant to ERISA*).

Governing Law

The Notes, the Trust Deed, the Portfolio Management Agreement, the Agency Agreement and all other Transaction Documents will be governed by English law, except for the Issuer Corporate Services Agreement which will be governed by Irish law and the Euroclear Pledge Agreement which will be governed by Belgian Law.

Listing

This Prospectus has been approved by the the Central Bank, as competent authority under the Prospectus Directive. The Central Bank will only approve this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the official list (the "**Official List**") of The Irish Stock Exchange Limited (the "**Irish Stock Exchange**") and trading on its regulated market. See "*General Information*". The Subordinated Notes are currently admitted to the Official List and trading on the Official List of the Irish Stock Exchange.

Tax Status

See "*Tax Considerations*".

Forced sale and withholding pursuant to FATCA

Under FATCA (which is defined herein), the Issuer (and any intermediary) may require each Noteholder to provide certifications and identifying information about itself and certain of its owners. The Issuer (and any intermediary) may force the sale of a Noteholder's Notes in order to comply with FATCA, including Notes held by a Noteholder that fails to provide the required information (and such sale could be for less than its then fair market value). In addition, the failure to provide such information, or the failure of certain non-U.S. financial institutions to comply with FATCA, may compel the Issuer (and any intermediary) to withhold on payments to such holders (and neither the Issuer nor any intermediary will pay any additional amounts with respect to such withholding).

Additional Issuances

Subject to certain conditions being met additional notes of all existing Classes (other than the Class X-R Notes) may be issued and sold. See Condition 17 (*Additional Issuances*).

Retention Holder and EU Retention Requirements

On the Original Issue Date, the Portfolio Manager in its capacity as the Retention Holder purchased Subordinated Notes having a Principal Amount Outstanding (as of Original Issue Date) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder equal to not less than 5 per cent. of the Aggregate Collateral Balance (as of the Original Issue Date). From and including the Issue Date, the Retention Holder will undertake to continue to hold (either directly or indirectly) and retain, on an ongoing basis for as long as a Class of Notes remains Outstanding, Subordinated Notes with a Principal Amount Outstanding (as of the Issue Date) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder on the Original Issue Date equal to not less than 5 per cent. of the Aggregate Collateral Balance (as of the Issue Date) , with the intention of complying with the EU Retention Requirements. See "*The Retention Holder and Retention Requirements*".

Retention Holder and U.S.

The Portfolio Manager has informed the Issuer and the Placement

Retention Rules

Agent that it does not intend to retain a risk retention interest contemplated by the U.S. Retention Rules in connection with the refinancing transaction described in this Prospectus or the Refinancing Notes in reliance on the Foreign Safe Harbour. *"Relating to the Notes - The Dodd-Frank Act and U.S. Retention Rules"*

RISK FACTORS

An investment in the Refinancing Notes involves certain risks, including risks related to the Collateral Debt Obligations securing the Notes and risks relating to the structure of the Refinancing Notes and related arrangements. There can be no assurance that the Issuer will not incur losses on the Collateral Debt Obligations or that investors in the Refinancing Notes will receive a return of any or all of their investment. The following risk factors are applicable to an investment in the Refinancing Notes. Prospective investors should carefully consider, among other things, the following risk factors in addition to the other information set out in this Prospectus before investing in the Refinancing Notes. Terms not defined in this section and not otherwise defined above have the meaning set out in Condition 1 (Definitions) of the "Terms and Conditions of The Notes".

1. General Commercial Risks

1.1 General

It is intended that the Issuer will invest in Collateral Debt 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, (i) payments in respect of the Class X-R Notes and Class A-R Notes are generally higher in the Priorities of Payments than those of the other Classes of Notes; (ii) payments in respect of the Class B-R Notes are generally higher in the Priorities of Payments than those of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes; (iii) payments in respect of the Class C-R Notes are generally higher in the Priorities of Payments than those of the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes; (iv) payments in respect of the Class D-R Notes are generally higher in the Priorities of Payments than those of the Class E-R Notes, the Class F-R Notes and the Subordinated Notes; (v) payments in respect of the Class E-R Notes are generally higher in the Priorities of Payments than those of the Class F-R Notes and the Subordinated Notes; and (vi) payments in respect of the Class F-R Notes are generally higher in the Priorities of Payments than those of the Subordinated Notes. None of the Placement Agent, the Portfolio Manager, the Agents, or the Trustee undertakes to review the financial condition or affairs of the Issuer and none of the Placement Agent, the Agents or the Trustee undertakes to review the financial condition or affairs of the Portfolio Manager, in each case, 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 Placement Agent, the Portfolio Manager, the Agents or the Trustee which is not included in this Prospectus or the Reports, as the case may be.

In preparing and furnishing the Issue Date Payments Report, the Issuer will rely conclusively on the accuracy and completeness of the information or data regarding the Collateral Debt Obligations that has been provided to it by the Collateral Administrator (which will rely conclusively, in turn, on the accuracy and completeness of certain information provided to it by the Portfolio Manager and third parties) (and reviewed by the Portfolio Manager), and the Issuer will not verify, re-compute, reconcile or recalculate any such information or data.

In addition, the information contained in the Issue Date Payments Reports is dependent in part on interpretations, calculations and/or determinations made by the Issuer, the Collateral Administrator and the Portfolio Manager. The accuracy of the Issue Date Payments Report, and the information included therein, is therefore subject to the accuracy of the interpretations, calculations and/or determinations of the Issuer, the Collateral Administrator and the Portfolio Manager.

The Issuer commenced operations under the Trust Deed on the Original Issue Date. The Issuer's financial statements as at and for the years ended 31 December 2014 and 31 December 2015, together

with the audit reports thereon, are incorporated by reference into this Prospectus (see further "*Documents Incorporated*" below). While the Issue Date Payments Report is included herein at Annex C, and is expressly incorporated herein as an integral part of this Prospectus, no independent third-party has reviewed, verified or confirmation the information set forth therein or the assumptions, interpretations or conclusions necessary to prepare the Issue Date Payments Report. None of the Placement Agent, the Portfolio 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 Issue Date Payments Report incorporated herein.

Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the report contained in Annex C. Such report contains information as of the dates specified therein and none of the reports are calculated as of the date of this Prospectus or on or after the Issue Date. As such, the information in the report may no longer reflect the characteristics of the Collateral Debt Obligations as of the date of this Prospectus or on or after the Issue Date.

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

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

1.2 Prior activities of the Issuer

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

1.3 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.

1.4 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 Payments. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and it may not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified and/or prefunded and/or secured.

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

1.6 General economic conditions may deteriorate and may affect the ability of the Issuer to make payments on the Notes

European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain EU member states (the "**Member States**"), rising government debt levels, credit rating downgrades and risk of default or restructuring of government debt. These events could cause bond yields and credit spreads to increase. The ability of the Issuer to make payments on the Notes may depend on the general economic climate. In addition, the business, financial condition or results of operations of the Obligor of the Collateral Debt Obligations or Obligor in respect of other assets comprised in the Portfolio may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Collateral Debt Obligations and other assets comprised in the Portfolio are likely to decrease. A decrease in market value of the Collateral Debt Obligations and the other assets comprised in the Portfolio would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Debt Obligations and the other assets comprised in the Portfolio and could ultimately affect the ability of the Issuer to pay in full or redeem the Rated Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

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 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 with any degree of certainty, 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.

In addition, Obligor of Collateral Debt Obligations may be organised in, or otherwise Domiciled in, certain of such countries currently suffering from economic distress, or other countries that may begin to suffer economic distress, and the uncertainty and market instability in any such country may increase the likelihood of default by such Obligor. In the event of its insolvency, any such Obligor, by virtue of being organised in such a jurisdiction or having a substantial percentage of its revenues or assets in such a jurisdiction, may be more likely to be subject to bankruptcy or insolvency proceedings in such jurisdiction at the same time as such jurisdiction is itself potentially unstable.

A continuing decreased ability of Obligor to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Debt Obligations. It is impossible to determine with any degree of certainty whether such trends in the credit markets will continue, improve or worsen in the future.

There exist significant risks for the Issuer and investors as a result of the current economic conditions. These risks include, amongst 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 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 the Maturity Date. In addition, the primary market for a number of financial products including leveraged loans has not fully recovered from the effects of the global credit crisis. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Portfolio Manager to invest and, ultimately, reduce the returns on the Notes to investors.

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

Some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalised or have gone bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer, particularly if such financial institution is a grantor of a participation in a Collateral Debt Obligation or is a Hedge Counterparty, or a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Portfolio and the Notes.

The result of the above is a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Portfolio Manager in managing and administering the Portfolio. Increasing capital requirements and changing regulations may also result in some financial institutions exiting, curtailing or otherwise adjusting some trading, hedging or investment activities which may have effects on the liquidity of investments such as the Notes as well as the Portfolio.

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

1.7 Illiquidity in the collateralised debt obligation, leveraged finance and fixed income markets may affect the Noteholders; Euro and Euro Zone Risk

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

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

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

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011 the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism, which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from July 2013 onward.

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

Further developments in the Euro zone sovereign debt crisis may lead to a variety of different outcomes including further capital controls and 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 zone by one or more Euro zone countries and/or the abandonment of the Euro as a currency entirely could have major negative effects on the Issuer and the Notes. Should the Euro dissolve entirely, the legal and contractual consequences for Noteholders 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. Investors should carefully consider how changes to the Euro zone, may affect their investment in the Notes.

1.8 Referendum on the UK's EU Membership

On 23 June 2016, the UK held a referendum (the "**Referendum**") with respect to its continued membership of the EU. The result of the Referendum was a vote in favour of leaving the EU. Whilst the result of the Referendum itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other Member States is not.

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. If notice is given under Article 50 by a Member State, the EU will negotiate and conclude an agreement with such Member State, setting out the arrangements for its withdrawal. The UK government has invoked Article 50 on 29 March 2017.

Applicability of EU law in the UK

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

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law (other than those EU laws transposed into English law (see below)) will cease to apply to the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances.. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or if an extension to the two year period would apply. Until such date, EU law will remain in force in the UK.

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

Regulatory Risk

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

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

Regulatory Risk – UK manager

In particular, if the UK were, as a consequence of leaving the EU, no longer to have the benefit of a passporting regime or third country recognition of the UK or an Irish domestic exemption or exception is not in place, then a UK manager such as the Portfolio Manager may be unable to continue to provide collateral management services to the Issuer in reliance upon the passporting of relevant regulated services within the EU on a cross-border basis provided for under MiFID. In addition, the UK's departure from the EU may result in the Portfolio Manager being unable to continue to act as Retention Holder to the extent it was required to hold the retention notes solely as "sponsor" in accordance with the EU Retention Requirements (even if the Portfolio Manager were to remain subject to UK financial services regulation) unless any Retention Cure Action intended to enable the Portfolio Manager to qualify as the Retention Holder other than as a "sponsor" for purposes of the EU Retention Requirements was able to be identified and has been taken in accordance with the terms of the Transaction Documents.

However, in Ireland under Regulation 8(1) of the European Communities (Markets in Financial Instruments) Regulations 2007, if the Portfolio Manager has no head or registered office or branch in Ireland, it would not generally need to be an authorised investment firm in order to provide CLO

services in Ireland to bodies corporate (such as the Issuer) and therefore the Portfolio Manager should be able to continue to provide collateral management services to the Issuer without the benefit of the passporting regime.

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

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

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

Market Risk

Following the results of the Referendum, the financial markets have experienced volatility and disruption. It is not possible to predict whether such volatility and disruption will continue, and investors should consider the effect thereof on the market for securities such as the Notes and on the ability of Obligor to meet their obligations under the Collateral Debt Obligations.

Investors should be aware that the result of the Referendum and any subsequent negotiations, notifications, withdrawal and changes to legislation may introduce potentially significant new uncertainties and instabilities in the financial markets. Such uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations and prospects of the Issuer, the Obligor, the Portfolio, the Portfolio Manager and the other parties to the Transaction Documents and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to any Assignments, Participations and Hedge Transactions and also each of the Agents) throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation, including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the cost of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders.

The replacement of any such third parties that are no longer able to provide services to the Issuer may result in additional costs and expenses, which may in turn affect the amounts payable to Noteholders.

Ratings actions

Following the result of the Referendum, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's has placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant Rating Requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant Rating Requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant Rating Requirement.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders.

2. Relating to the Notes

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

Currently, no market exists for the Notes. The Placement Agent may make a market for the Notes but is not under any obligation to do so, and any such market-making may be discontinued at any time without notice. The Notes are illiquid investments. There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or will continue for the life of the Notes. Over the past few years, notes issued in securitisation transactions have experienced historically high volatility and significant fluctuations in market value. Additionally, some potential buyers of such notes now view securitisation products as an inappropriate investment, thereby reducing the number of potential buyers and/or potentially affecting liquidity in the secondary market. Noteholders must be prepared to hold their Notes for an indefinite period of time or until the Maturity Date. The Notes will not be registered under the Securities Act or any state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. As a result, the Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "*Transfer Restrictions*". As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity.

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

2.2 The Notes are not guaranteed by the Issuer, the Placement Agent, the Portfolio Manager, the Agents, any Hedge Counterparty or the Trustee

None of the Issuer, the Placement Agent, the Portfolio Manager, the Agents, the Administrator, any Hedge Counterparty, the Trustee or any Affiliate thereof makes 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) to any Noteholder of ownership of the Notes, and no Noteholder may rely on any such party for a determination of expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to any investor of ownership of the Notes. Each Noteholder will be required to represent (or, in the case of certain non-certificated Notes, deemed to represent) to the Issuer and the Placement Agent, among other things, that it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as it has deemed necessary and that the investment by it is within its powers and authority, is permissible under applicable laws governing such purchase, has been duly authorised by it and complies with applicable securities laws and other laws.

2.3 The Placement Agent will not have any ongoing responsibility for the Collateral Debt Obligations or other assets comprised in the Portfolio or the actions of the Portfolio Manager or the Issuer

The Placement Agent will not have any obligation to monitor the performance of the Collateral Debt Obligations or any other assets comprised in the Portfolio or the actions of the Portfolio Manager or the Issuer and will have no authority to advise the Portfolio Manager or the Issuer or to direct their actions,

which will be solely the responsibility of the Portfolio Manager and/or the Issuer, as the case may be. If the Placement Agent acts as a Hedge Counterparty or owns Notes, it will have no responsibility to consider the interests of any other Noteholders in actions it takes in such capacity. While the Placement Agent or any of its Affiliates may own a portion of certain Classes of Rated Notes on the Issue Date and may own Notes at any time, it has no obligation to make any investment in any Notes and may sell at any time any Notes it does purchase. See also paragraph 5.4 *"Relating to certain conflicts of interest - The Issuer will be subject to various conflicts of interest involving the Placement Agent"* below.

2.4 The Notes are limited recourse obligations; investors must rely on available collections from the Collateral Debt Obligations and will have no other source for payment

The Notes are limited recourse obligations of the Issuer. Therefore, amounts due on the Notes are payable solely from the Collateral Debt Obligations and all other Collateral secured by the Issuer for the benefit of the Noteholders and other Secured Parties pursuant to the Priorities of Payments. None of the Trustee, the Agents, the Portfolio Manager, the Placement Agent or any of their respective Affiliates or other Person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Debt Obligations and, after a Note Event of Default, proceeds from the liquidation of the Collateral for payments on the Notes. If distributions on such Collateral Debt Obligations are insufficient to make payments on the Notes, no other assets of the Issuer (including the Irish Account and in particular, no assets of the Portfolio Manager, the Noteholders, the Placement Agent, the Trustee, the Agents or any Affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Issuer and any claims against the Issuer in respect of the Notes will be extinguished and will not revive.

2.5 The Subordinated Notes

When the holders of the Subordinated Notes are entitled to take or direct any action they may do so in their sole discretion without regard for the interests of the holders of any other Class of Notes. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Portfolio after all other payments have been made pursuant to the Priorities of Payments described herein. There can be no assurance that the distributions on the Portfolio will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the Conditions of the Notes and the Trust Deed. If distributions on the Portfolio are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions.

2.6 The subordination of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes will affect their right to payment; failure of a court to enforce non-petition obligations will adversely affect the Noteholders

The Notes are subordinated to certain amounts payable by the Issuer to other parties as set out in the Priorities of Payments (including taxes, certain amounts owing to Administrative Expenses, the Senior Portfolio Management Fee and certain payments under the Hedge Agreements); the Class B-R Notes are subordinated on each Payment Date to the Class X-R Notes, the Class A-R Notes; the Class C-R Notes are fully subordinated on each Payment Date to the Class X-R Notes, the Class A-R Notes and the Class B-R Notes; the Class D-R Notes are fully subordinated on each Payment Date to the Class X-R Notes, the Class A-R Notes, the Class B-R Notes and the Class C-R Notes; the Class E-R Notes are fully subordinated on each Payment Date to the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes; the Class F-R Notes are fully subordinated on each Payment Date to the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes; and the Subordinated Notes are fully subordinated on each Payment Date to the Rated Notes and certain fees and expenses (including, but not limited to, unpaid Administrative Expenses, the Senior Portfolio Management Fee, certain payments under the Hedge Agreements and the Subordinated Portfolio Management Fee), in each case to the extent described herein. No payments of interest or distributions from Interest Proceeds of any kind will be made on any Class of Notes on any Payment Date until interest due on the Notes of each Class to which it is subordinated has been paid in full, no payments of principal (other than Deferred Interest, to the extent set out in the Priorities of Payments) from Principal Proceeds will be made on

any Class of Notes on any Payment Date until principal of the Notes of each Class to which it is subordinated has been paid in full, and no distributions from Principal Proceeds of any kind will be made on the Subordinated Notes on any Payment Date until interest due on and all principal of the Notes of each Class to which it is subordinated has been paid in full. Therefore, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class F-R Notes, then by the holders of the Class E-R Notes, then by the holders of the Class D-R Notes, then by the holders of the Class C-R Notes, then by the holders of the Class B-R Notes, and last by the holders of the Class X-R Notes, the Class A-R Notes. Furthermore, payments of interest on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes are subject to diversion to repay principal outstanding in respect of more senior Classes of Notes pursuant to the Priorities of Payments if certain Coverage Tests are not met, as described herein, and failure to make such payments of interest will not be a default under the Trust Deed nor under the Conditions.

In addition, if a Note Event of Default occurs, the Controlling Class (acting by way of Ordinary Resolution) will be entitled to determine the remedies to be exercised under the Trust Deed, subject to the terms of the Trust Deed. Remedies pursued by the Controlling Class could be adverse to the interests of the Noteholders that are subordinated to the Notes held by the Controlling Class, and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. The Collateral Debt Obligations may only be sold and liquidated in accordance with the Conditions and the Trust Deed.

After any acceleration of the Notes, all Interest Proceeds and Principal Proceeds will be allocated in accordance with the Post-Acceleration Priority of Payments pursuant to which the Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to holders of the Subordinated Notes, and holders of each Class of Notes (along with certain other amounts owing by the Issuer) will be paid in order of seniority until it is paid in full before any allocation is made to holders of the next Class of Notes. If a Note Event of Default has occurred and is continuing, the Subordinated Noteholders will not have the right to determine the remedies to be exercised under the Trust Deed. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Notes following any liquidation of the Collateral and the application of the proceeds from the Collateral to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Issuer.

Each Secured Party will agree and each Noteholder will agree or will be deemed to agree, pursuant to the Transaction Documents, that it will not at any time institute against the Issuer, or join any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or other similar law in connection with any obligations of the Issuer relating to the Notes, the Transaction Documents or otherwise owed to the Secured Parties, 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 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). If such provisions failed to be enforceable under applicable bankruptcy or insolvency laws, it could result in a court or insolvency official liquidating the Portfolio notwithstanding the absence of class voting required for such liquidation pursuant to the Transaction Documents or failing to liquidate notwithstanding such voting direction.

2.7 Amount and timing of payments

Subject to Condition 6(c)(i) (*Deferred Interest*) to the extent that interest payments on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes or the Class F-R Notes are not made on a relevant Payment Date where the relevant Class is not the Controlling Class or such Payment Date is not on or following a Relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the Principal Amount Outstanding of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes or the Class F-R Notes, as the case may be, and shall earn interest at the interest rate applicable to such Rated Notes. Any failure to pay scheduled interest on the Class C-R Notes, or to pay scheduled interest on the Class D-R Notes, or to pay scheduled interest on the Class E-R Notes, or to pay scheduled interest on the Class F-R Notes, in each case where such Class of Notes is not the Controlling Class or such Payment Date is not on or following a Relevant Payment Date or to pay interest and principal on the Subordinated Notes, in each case, at any time, due to there being

insufficient funds available to pay such interest in accordance with the applicable Priorities of Payments, will not be a Note Event of Default until the Maturity Date or any earlier date when the Notes are redeemed in full. 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 applicable Priorities of Payments. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

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

2.8 Yield considerations on the Subordinated Notes

The yield to each holder of the Subordinated Notes will be a function of the purchase price paid by such holder for its Subordinated Notes and the timing and amount of distributions made in respect of the Subordinated Notes during the term of the transaction. Each prospective investor in the Subordinated Notes should make its own evaluation of the yield that it expects to receive on the Subordinated Notes. Prospective investors should be aware that the timing and amount of distributions will be affected by, among other things, the performance of the Portfolio. Each prospective investor should consider the risk that a Note Event of Default and other adverse performance will result in a lower yield on the Subordinated Notes than that anticipated by such investor. In addition, if any Coverage Test or the Additional Reinvestment Test fails, amounts that would otherwise be distributed to the holders of the Subordinated Notes on any Payment Date may be paid to other investors (or reinvested, as applicable) in accordance with the Priorities of Payments. Each prospective investor should consider that any such adverse developments could result in its failure to recover fully its initial investment in the Subordinated Notes.

2.9 The Subordinated Notes are highly leveraged, which increases risks to investors in that Class

The Subordinated Notes represent a highly leveraged investment in the Portfolio. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the Collateral Debt Obligations, changes in the distributions on the Collateral Debt Obligations, defaults and recoveries on the Collateral Debt Obligations, capital gains and losses on the Collateral Debt Obligations, prepayments on the Collateral Debt Obligations, the availability, prices and interest rates of the Collateral Debt Obligations and other risks associated with the Portfolio as described in "*Relating to the Notes*" and "*Relating to the Collateral Debt Obligations*". Accordingly, the Subordinated Notes (and one or more Classes of Rated Notes) may not be paid in full and may be subject to up to a 100 per cent. loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the Collateral Debt Obligations, changes in the distributions on the Collateral Debt Obligations, defaults and recoveries on the Collateral Debt Obligations, capital gains and losses on the Collateral Debt Obligations, prepayments on the Collateral Debt Obligations and availability, prices and interest rates of the Collateral Debt Obligations.

Payments of Interest Proceeds to the holders of the Subordinated Notes will not be made until due and unpaid interest on the Rated Notes and certain other amounts (including certain fees and expenses) have been paid. No payments of principal of the Subordinated Notes will be made until principal of and interest on the Rated Notes and certain other amounts have been paid in full. On any Payment Date, sufficient funds may not be available (including as a result of a failure of any of the Coverage Tests or the Additional Reinvestment Test) to make payments to the holders of the Subordinated Notes in accordance with the Priorities of Payments.

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 the Subordinated Notes will be higher because such expenses will be based on total assets of the Issuer.

Following an acceleration of the Notes which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*) or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(d) (*Redemption following a Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral, and/or Swap Tax Credits which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments) shall be credited to the Payment Account and shall be allocated in accordance with the Post-Acceleration Priority of Payments pursuant to which the Rated Notes and certain other amounts owing by the Issuer will be paid in full before any allocation to the Subordinated Notes, and each Class of Notes (along with certain other amounts owing by the Issuer) will be paid in order of seniority until it is paid in full before any allocation is made to the next Class of Notes. If a Note Event of Default has occurred and is continuing, the holders of the Subordinated Notes will not have any creditors' rights against the Issuer and will not have the right to determine the remedies to be exercised under the Trust Deed. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Notes following any liquidation of the Collateral and the application of the proceeds from the Collateral to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Issuer.

2.10 The Portfolio may be insufficient to redeem the Notes following a Note Event of Default

It is anticipated that the proceeds received by the Issuer on the Issue Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate amount of Notes. Consequently, it is anticipated that on the Issue Date the Portfolio would be insufficient to redeem all of the Notes in full if a Note Event of Default under the Trust Deed occurs.

2.11 The Reinvestment Period may terminate early

The Reinvestment Period may terminate early if any of the following occur: (a) acceleration following a Note Event of Default, (b) an Optional Redemption in whole of all Classes of Notes by liquidation of the Portfolio in accordance with the Conditions or (c) the Portfolio Manager reasonably determines that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Trust Deed and the Portfolio Management Agreement. Early termination of the Reinvestment Period could adversely affect returns to the Subordinated Notes and may also cause the Noteholders to receive principal payments earlier than anticipated.

2.12 The Portfolio Manager may reinvest Unscheduled Principal Proceeds, Sale Proceeds from the sale of Credit Improved Obligations and Credit Impaired Obligations after the end of the Reinvestment Period

After the end of the Reinvestment Period, the Portfolio Manager may continue to reinvest (i) Unscheduled Principal Proceeds, (ii) Sale Proceeds from the sale of Credit Improved Obligations and (iii) Sale Proceeds from the sale of Credit Impaired Obligations, subject to certain conditions described under "*The Portfolio*" below. Reinvestment of Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations will likely have the effect of extending the Weighted Average Life of the Collateral Debt Obligations and the average lives of the Notes.

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Portfolio Manager (acting on behalf of the Issuer) certifies to the Trustee that it has been unable, after using reasonable endeavours, for a period of at least 20 consecutive Business Days or such shorter period as may be agreed, to identify additional Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager (acting on behalf of the Issuer) in its discretion and which would meet the Eligibility Criteria and, to the extent applicable, comply with the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional Collateral Debt Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Principal Proceeds Priority of Payments. Additionally, a Special Redemption may apply in respect of Interest Proceeds if the Additional Reinvestment Test is not met and the Portfolio Manager determines that it is unable to identify additional suitable Collateral Debt Obligations for reinvestment. 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.

2.14 Additional issuances of Notes, as well as the deferral of certain Portfolio Management Fees and repurchases of Notes by the Issuer, may have the effect of preventing the failure of the Coverage Tests and the occurrence of a Note Event of Default

The Issuer may issue and sell additional Notes of any one or more existing Classes (other than the Class X-R Notes) and use the net proceeds to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership and disposition of the Collateral Debt Obligations. If certain conditions for such additional issuance are met, such additional issuance may be made without the consent of the Noteholders (save for the Subordinated Noteholders acting by way of Ordinary Resolution and, for so long as any Class A-R Notes are Outstanding, the Class A-R Noteholders acting by way of Ordinary Resolution), but will require the consent of the Retention Holder. See Condition 17 (*Additional Issuances*).

Subject to certain conditions, the Issuer may, pursuant to Condition 7(k) (*Purchase*), purchase any Rated Notes outstanding, in whole or in part using Principal Proceeds standing to the credit of the Principal Account.

The Portfolio Manager may, pursuant to the Priorities of Payment, defer (in the case of the Senior Portfolio Management Fee or the Subordinated Portfolio Management Fee), all or a portion of Portfolio Management Fees in each case that would otherwise have been payable to it pursuant to the Priorities of Payments.

The use of issuance proceeds of any additional issuances as Principal Proceeds, the purchase by the Issuer of Notes or the deferral may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to a Note Event of Default and permit the Controlling Class to exercise remedies under the Trust Deed.

2.15 The Notes are subject to Optional Redemption and Mandatory Redemption in whole or in part by Class

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 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 (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payments.

The Notes are subject to optional and mandatory redemption in a variety of circumstances (see Condition 7 (*Redemption and Purchase*)). Depending on which of the specific provisions of Condition 7 (*Redemption and Purchase*) are applicable, in some circumstances the Notes will be redeemed in whole and in others they will only be redeemed in part. In some instances the Notes may be redeemed at the option of either the Subordinated Noteholders, the Portfolio Manager, the Retention Holder or the Controlling Class. In other instances, redemption will not depend on the exercise of a discretion (as is the case, for example, with redemptions that occur after the expiry of the Reinvestment Period). There are a variety of different tests, steps, criteria and thresholds that may need to be satisfied before any such redemption can occur. In this regard potential investors should consider the terms of Condition 7 (*Redemption and Purchase*) in detail.

In general terms, optional or mandatory redemption will give rise to a number of risks including the following:

- (a) Noteholders may receive a repayment of some or all of their investment earlier than anticipated, and prior to the Maturity Date;
- (b) where the Notes are redeemable upon the exercise of a discretion of a transaction party or a particular Class of the Noteholders, there is no obligation that in exercising

such discretion the interests of any other party or Class of Noteholders be taken into account;

- (c) where one or more Classes of Rated Notes are redeemed through a Refinancing, Noteholders should be aware that any such redemption would occur outside of the Note Payment Sequence and the Priorities of Payments. Subject to certain conditions, the Rated Notes may be redeemed in whole or in part by the Issuer by the redemption in whole of one or more Classes of Rated Notes at their applicable Redemption Price(s) from Refinancing Proceeds at the option of the Subordinated Noteholders (acting by Ordinary Resolution) but without the consent of the holders of any other Class of Notes or the Retention Holder. In addition Noteholders of a Class of Rated Notes that are redeemed through a Refinancing should be aware that the Applicable Margin of any new notes will be lower than the interest rate of such Rated Notes immediately prior to such Refinancing; and
- (d) where the Notes are to be redeemed by liquidation, there can be no assurance that the proceeds of liquidation would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Rated Notes or, in certain circumstances, that losses would not be incurred on Rated Notes. In addition, a redemption could require the Portfolio Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realised value of the Collateral Debt Obligations sold.

2.16 A decrease in EURIBOR may lower the interest payable on the Rated Notes and an increase in EURIBOR may indirectly reduce the credit support to the Notes

The Euro Interbank Offered Rate (for the purposes of this risk factor, "**EURIBOR**"), together other so-called "benchmarks" are the subject of reform measures by a number of international authorities and other bodies.

During each three month Accrual Period, the Rated Notes accrue interest at three month EURIBOR. During each six month Accrual Period which would occur during a Frequency Switch Period, the Rated Notes accrue interest at six month EURIBOR. The interest rate may therefore fluctuate from one accrual period to another in response to changes in such base rates. The Subordinated Notes do not bear a stated rate of interest. Several years ago, EURIBOR experienced historically high volatility and significant fluctuations. It is likely that EURIBOR will continue to fluctuate and none of the Issuer, the Collateral Administrator, the Portfolio Manager, the Placement Agent nor any of their Affiliates makes any representation as to what EURIBOR will be in the future. Because the Rated Notes bear interest based upon three month EURIBOR during three month Accrual Periods and six month EURIBOR during six month Accrual Periods as described in Condition 6(e)(i) (*Floating Rate of Interest*), there may be a basis mismatch between the Rated Notes and the underlying Collateral Debt Obligations and Eligible Investments with interest rates based on an index other than EURIBOR, interest rates based on EURIBOR for a different period of time or even three-month or six-month EURIBOR for a different accrual period. In addition, up to 5 per cent. of the Aggregate Collateral Balance may bear interest at a fixed rate. It is possible that EURIBOR, as applicable, payable on the Rated Notes may rise (or fall, subject to a floor of zero as specified in the Conditions) during periods in which EURIBOR (or another applicable index) with respect to the various Collateral Debt Obligations and Eligible Investments is stable or falling (or rising but capped at a level lower than EURIBOR, as applicable, for the Rated Notes). No assurance can be given that the rate of interest applicable to the portion of Floating Rate Collateral Debt Obligations of the Issuer that bear interest based on indices other than EURIBOR will not decrease in the future (or that such portion of floating rate Collateral Debt Obligations will not increase in the future). Some Collateral Debt Obligations, however, may have EURIBOR floor arrangements that may help mitigate this risk, but there is no requirement for any Collateral Debt Obligation to have a EURIBOR floor and there is no guarantee that any such EURIBOR floor will fully mitigate the risk of falling EURIBOR. If EURIBOR, as applicable, payable on the Rated Notes rises during periods in which EURIBOR (or another applicable index) with respect to the various Collateral Debt Obligations and Eligible Investments is stable or during periods in which the Issuer owns Collateral Debt Obligations or Eligible Investments bearing interest at a fixed rate, is falling or is rising but is capped at a lower level, "excess spread" (i.e., the difference between the interest collected on the Collateral Debt Obligations and the sum of the interest payable on the Rated Notes and certain

transaction fees payable by the Issuer) that otherwise would be available as credit support may instead be used to pay interest on the Rated Notes.

There may also be a timing mismatch between the Rated Notes and the underlying Collateral Debt Obligations as EURIBOR (or other applicable index) on such Collateral Debt Obligations may adjust more frequently or less frequently or on different dates than EURIBOR, on the Rated Notes. Such a mismatch could result in the Issuer not collecting sufficient Interest Proceeds to make interest payments on the Rated Notes. The Issuer may or may not enter into interest rate swap transactions to hedge any interest rate or timing mismatch, but the Portfolio Manager may only cause the Issuer to enter into a Hedge Agreement that (i) satisfies the Hedge Agreement Eligibility Criteria or (ii) in respect of which, the Issuer obtains legal advice of reputable counsel that such Hedge Agreement will not cause the Issuer, its directors or officers or the Portfolio Manager to register as a CPO with the CFTC with respect to the Issuer. See "*Hedging Arrangements*". Even if the Issuer were to enter into one or more Hedge Agreements, there can be no assurance that the Collateral Debt Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Rated Notes and to make distributions to the holders of the Subordinated Notes, nor that the Hedge Agreements will ensure any particular return on any such Notes.

2.17 EURIBOR reform

In the EU, 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 record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the 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. By way of a European Commission Implementing Regulation published on 12 August 2016, EURIBOR was identified as a "critical benchmark" for the purposes of the Benchmark Regulation.

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

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

- (e) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; and
- (f) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

Investors should be aware that:

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

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

- (b) any of these changes or any other changes could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (c) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a benchmark (or currency or tenor) which is discontinued:
 - (i) such rate of interest will then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion; and
 - (ii) there may be a mismatch between the replacement rate of interest applicable to the affected Collateral Debt Obligation and the replacement rate of interest the Issuer must pay under any applicable Hedge Agreement. This could lead to the Issuer receiving amounts from affected Collateral Debt Obligations which are insufficient to make the due payment under the Hedge Agreement, and potential termination of the Hedge Agreement;
- (d) if any of the relevant EURIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Rated Notes will be calculated under Condition 6(e)(i) (*Floating Rate of Interest*); and
- (e) the administrator of a relevant benchmark will not have any involvement in the Collateral Debt Obligations or the Notes and may take any actions in respect of such benchmark without regard to the effect of such actions on the Collateral Debt Obligations or the Notes.

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

2.18 The average lives of the Notes may vary

The average life of each Class of Notes is expected to be shorter than the number of years until the Maturity Date. Each such average life may vary due to various factors affecting the early retirement of Collateral Debt Obligations from payments, defaults, or otherwise, the timing and amount of sales of such Collateral Debt Obligations, the ability of the Portfolio Manager to invest collections and proceeds in additional Collateral Debt Obligations, and the occurrence of any mandatory redemption in accordance with Condition 7(c) (*Redemption upon Breach of Coverage Tests*), Optional Redemption, redemption following a Note Tax Event or Special Redemption. Retirement of the Collateral Debt Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the Obligors of the underlying Collateral Debt Obligations and the respective characteristics of such Collateral Debt Obligations, including the existence and frequency of exercise of any optional redemption, mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption prices, the actual default rates and the actual amount collected on any Defaulted Obligations and the frequency of tender or exchange offers for such Collateral Debt Obligations. In particular, loans are generally prepayable at par, and a high proportion of loans could be prepaid. The ability of the Issuer to reinvest proceeds in securities with comparable interest rates that satisfy the Eligibility Criteria in compliance with the Reinvestment Criteria specified herein may affect the timing and amount of payments received by the Noteholders and the yield to maturity of the Notes. See "*The Portfolio*".

2.19 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 Debt Obligations; differences in the actual allocation of Collateral Debt Obligations among asset categories from those assumed; and mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Debt Obligations. None of the Issuer, the Placement Agent, the Portfolio Manager, the Trustee, the Agents 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.

2.20 Certain ERISA considerations

Under a regulation of the U.S. Department of Labor, as modified by Section 3(42) of ERISA, if certain employee benefit plans or other retirement arrangements subject to the fiduciary responsibility provisions of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the Code, or entities whose underlying assets are treated as assets of such plans or arrangements (collectively, "**Plans**") invest in a Class of Notes that is treated as equity under the regulation (which could include the Class E-R Notes, the Class F-R Notes or the Subordinated Notes), the assets of the Issuer could be considered to be assets of such Plans and certain of the transactions contemplated under such Notes could be considered "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. See 2.23 "*Forced transfer*" and the section of this Prospectus entitled "*Certain ERISA Considerations*" below.

2.21 Changes in tax law; no gross up

At the time when they are acquired by the Issuer, the Eligibility Criteria require that payments in respect of the Collateral Debt Obligations will not be subject to withholding tax imposed by any jurisdiction unless either: (i) such withholding tax can be sheltered in full by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor is required to make "gross up" payments that compensate the Issuer directly or indirectly in full for of any such withholding on an after tax basis. However, there can be no assurance that as a result of any change in market practice, applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Debt Obligations (including payments by Selling Institutions in the case of Participations) will not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor (or, in the case of Participations, the Selling Institution) is not obliged to make "gross up" payments 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 Obligor, or (c) the fact that the Issuer has taken a Participation in such Collateral Debt Obligations from a Selling Institution which is able to pay interest payable under such Participation gross without withholding or deduction of tax. If the Issuer receives any interest payments on any Collateral Debt Obligation net of any applicable withholding tax, the Coverage Tests and, Collateral Quality Tests will be determined by reference to such net receipts. If no corresponding gross up payment is received, such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Debt Obligations would be sufficient to make timely payments of interest and principal on the Notes of each Class and the other amounts payable in respect of the Notes on the Maturity Date. If interest payments in respect of Collateral Debt Obligations to the Issuer become subject to withholding tax, this may also trigger a Collateral Tax Event and result in an optional redemption of the Notes in accordance with Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*).

2.22 U.S. tax risks

(a) Changes in tax law; Imposition of tax on non-U.S. Noteholder

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

(b) U.S. trade or business

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

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 per cent. 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 Notes.

(c) FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income paid on certain of its assets, and, after 31 December 2018, on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and Ireland, the Issuer will not be subject to withholding under FATCA if it complies with Irish regulations that require the Issuer to provide the name, address, and taxpayer identification number of, and certain other information with respect to, certain Holders of Notes to the Office of the Revenue Commissioners of Ireland, which would then provide this information to the IRS. There can be no assurance that the Issuer will be able to comply with these regulations. Moreover, the intergovernmental agreement or the Irish implementing regulations could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

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

(d) Treatment of the Subordinated Notes, and possible treatment of the Class E-R Notes and the Class F-R Notes as equity in the Issuer for U.S. federal income tax purposes

The Subordinated Notes will be treated, and the Class E-R Notes and the Class F-R Notes could be treated as representing equity in the Issuer for U.S. federal income tax purposes. In addition, the Issuer is expected to be treated as a passive foreign investment company for U.S. federal income tax purposes, and may be treated as a controlled foreign corporation for U.S. federal income tax purposes, which in either case may result in adverse tax consequences for certain U.S. Noteholders. If any Class of Notes is treated as equity in the Issuer, gain on the sale of such could be treated as ordinary income and subject to an additional tax in the nature of interest, and certain interest on such Notes could be subject to the additional tax. See "*Tax Considerations - Certain U.S. Federal Income Tax Considerations*" below.

2.23 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 required or 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, Section 4975 of the Code, Similar Law and/or Other Plan Law.

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines at any time that a holder is a Non-Permitted Holder, the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer, send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its Notes outside the United States to a non-U.S. person (as defined in Regulation S) or within the United States to a U.S. person (as defined in Regulation S) that is a QIB/QP within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer within such 30 day period, (a) upon direction from the Issuer or the Portfolio Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such Notes to be transferred in a sale to a person or entity that certifies to the Issuer and such Transfer Agent, in connection with such transfer, that such person or entity either is not a U.S. person (as defined in Regulation S) or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. In addition, the Trust Deed provides that if any Noteholder is determined by the Issuer to be a Non-Permitted ERISA Holder, such Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser (selected by the Issuer) within 10 days of receipt of notice from the Issuer to such Non-Permitted ERISA Holder requiring such sale or transfer, 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 Conditions and the transfer restrictions set out in the Trust Deed. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

A Noteholder may also be compelled by the Issuer to sell its Notes, or the Issuer may sell such Noteholder's interest on behalf of such Noteholder pursuant to Condition 2(i) (*Forced sale pursuant to FATCA*) or Condition 2(k) (*Forced Transfer pursuant to U.S. Retention Rules*). See "*U.S. tax risks – FATCA*" and "*U.S. Retention Rules*".

2.24 Withholding tax on the Notes

Although no withholding tax is currently imposed on payments of interest or principal on the Notes, there can be no assurance that the law will not change and pursuant to Condition 9 (*Taxation*) the Issuer shall withhold or deduct from any such payments any amounts on account of tax where so required by law (including FATCA) or any relevant taxing authority. The Issuer is not required to make any "gross up" payments in respect of any withholding tax applied in respect of the Notes.

If a Note Tax Event occurs 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 the Subordinated Notes or the Controlling Class in each case, acting by way of Extraordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all

amounts due and payable on the Rated Notes in such circumstances and in accordance with the Priorities of Payments.

2.25 The Issuer may become subject to third party litigation; and has limited funds available to pay its expenses

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending claims against the Issuer by third parties, including bankruptcy or insolvency proceedings, and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that the Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets.

The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator, the Portfolio Manager and the Directors, and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available to make such payments in accordance with the Priorities of Payments. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer, the Trustee, the Agents and/or the Portfolio Manager may not be able to defend or prosecute legal proceedings that may be brought against them or that the Issuer might otherwise bring to protect its interests. In addition, service providers who are not paid in full, including the Directors, have the right to resign. This could ultimately lead to the Issuer being in default under the applicable laws of Ireland and potentially being removed from the register of companies and dissolved.

2.26 Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer

The Issuer has not registered with the United States Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act, in reliance on both 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) with respect to the Issuer and certain transferees thereof identified in Rule 3c-5 and Rule 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

No opinion or no-action position has been requested of the SEC with respect to the status of the Issuer as an investment company under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act had failed, to register as an "investment company", possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and seek recovery of any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation could be declared unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, the Issuer or any of the Collateral becoming required to register as an "investment company" under the Investment Company Act will constitute a Note Event of Default if such requirement continues for 45 days. 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 at any time determines that any holder is a Non-Permitted Holder, the Issuer shall, promptly after determination that such person is a Non-Permitted Holder by the Issuer send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest to a person that is not a Non-Permitted Holder within thirty calendar days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer required within such thirty day period:

- (a) upon direction from the Issuer or the Portfolio Manager on its behalf, a Transfer Agent, on behalf of and at the expense of the Issuer, shall cause such beneficial interest to be transferred in a sale (conducted by such Transfer Agent) to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. person (as defined in Regulation S) or is a QIB/QP; and
- (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

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

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold or trade 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 Placement Agent, the Portfolio Manager, the Agents, the Trustee nor any of their respective Affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the impact of such regulation on investors or the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

Certain of these European, US and global regulatory efforts overlap. Even where such regulatory efforts overlap, they generally have not been undertaken on a coordinated basis resulting in regulatory divergence and potential conflict across jurisdictions. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise), include trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, amongst others. Investors should be aware that risks posed by such regulatory overlap and divergence are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

No representation is made as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Notes, which in turn may adversely affect the ability of investors in the Notes who are not subject to those provisions to resell their Notes in the secondary market.

2.28 The Dodd-Frank Act and U.S. Retention Rules

In response to the downturn in the credit markets and the global economic crisis of 2007-8, legislators and various agencies and regulatory bodies of the United States federal government and in Europe have taken or are considering taking actions. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on 21 July 2010. The Dodd-Frank Act represents a comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes resulting in the adoption of a multitude of new regulations applicable to entities which transact business in the United States or with U.S. persons outside the United States. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the United States and internationally, of the business of the Portfolio Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While many regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, some implementing regulations currently exist only in draft form and are subject to comment and revision, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent

the businesses of the Portfolio Manager, 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.

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

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.

Pursuant to the Dodd-Frank Act, regulators in the United States have promulgated or are expected to promulgate a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with Hedge Transactions and the availability of such Hedge Transactions that may be entered into by the Issuer from time to time. Some or all of the Hedge Transactions may be affected by (i) requirements for central clearing with a derivatives clearinghouse organisation, (ii) initial or variation margin requirements of clearing organisations or initial or variation margin requirements with respect to uncleared swaps and (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer and/or the Portfolio Manager, of entering into Hedge Transactions such that the Issuer may be unable to purchase certain types of Collateral Debt Obligations, have unforeseen legal consequences on the Issuer or the Portfolio Manager or have other material adverse effects on the Issuer or the Noteholders.

Furthermore, regulations requiring the posting and collection of variation margin on uncleared swaps entered into by financial institutions that are subject to such regulations have come into force in the United States on 1 March 2017. Such requirement to post and collect variation margin may apply to swaps between the applicable financial institutions and entities such as the Issuer. 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 whose terms are materially amended, 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. Although certain U.S. regulators have issued no-action relief statements recently, these are time limited and may not necessarily assist the Issuer.

In addition, CFTC rules under the Dodd-Frank Act include "swaps" along with "futures" as contracts which if traded by the Issuer may cause the Issuer to fall within the definitions of a "commodity pool" under the CEA and the Portfolio Manager to fall within the definition of a "commodity pool operator" ("**CPO**") and/or a "commodity trading advisor" ("**CTA**"). Although the CFTC has provided guidance that certain securitisation transactions, including CLOs, should be excluded from the definition of "commodity pool", it is unclear if such exclusion will apply to all CLOs, and in certain instances, the Portfolio Manager of a securitisation vehicle may be required to register as a CPO with the CFTC or apply for an exemption from registration. The Portfolio Manager shall only cause the Issuer to enter into Hedge Agreements (i) that satisfy the Hedge Agreement Eligibility Criteria, or (ii) in respect of which, the Issuer obtains legal advice of reputable counsel that such Hedge Agreement will not cause the Issuer, its directors or officers or the Portfolio Manager to register as a CPO with the CFTC with respect to the Issuer.. See further "*Hedging Arrangements*".

Notwithstanding the above, if the CFTC guidance referred to above changes or the Issuer engages in one or more activities that might cause it to fall within the definition of a "commodity pool" under the CEA and no exemption from registration is available, registration of the Portfolio Manager as a CPO

may be required before the Issuer (or the Portfolio Manager on the Issuer's behalf) may enter into any Hedge Agreement. Registration of the Portfolio Manager as a CPO could cause the Portfolio Manager to be subject to extensive compliance and reporting requirements that would involve material costs which may be passed on to the Issuer. The scope of such compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Notes. In addition, if an exemption from registration were available and the Portfolio Manager elected to file for an exemption, the Portfolio Manager would not be required to deliver certain CFTC mandated disclosure documents or a certified annual report to investors or satisfy on-going compliance requirements under Part 4 of the CFTC Regulations, as would be the case for a registered CPO or CTA. Further, the conditions of such exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a Hedge Transaction that the Portfolio Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged pursuant to swap transactions absent such limits. In addition, the costs of obtaining and maintaining such exemption will be passed on to the Issuer.

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

U.S. Retention Rules

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

The Portfolio Manager does not intend to retain at least 5 per cent. of the credit risk of the Issuer, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitization transaction are sold, transferred or held to U.S. persons (in each case, as defined in the U.S. Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch or office located in the United States of a non-U.S. entity, or is a branch or office (wherever located) of an entity chartered, incorporated or organised under United States law; and (4) no more than 25 per cent. of the underlying collateral was acquired (directly or indirectly) from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

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

During the Restricted Period, the Notes provide that they may not be purchased by or transferred to Risk Retention U.S. Persons unless such limitation is waived by the Portfolio Manager. Prospective investors should note that the definition of U.S. person in the U.S. Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. The definition of U.S. person in the U.S. Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(i), which are different than comparable provisions in Regulation S.

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

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;

The comparable provision from Regulation S to limb (b) of the definition of U.S. person is "any partnership or corporation organised or incorporated under the laws of the United States" and the comparable provision from Regulation S to limb (h)(ii) of the definition of U.S. person above is "formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts".

The Portfolio Manager has advised the Issuer that it will not provide a waiver ("**U.S. Risk Retention Waiver**") to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (as determined by fair value under US GAAP) of all Classes of Notes to be sold, transferred to or held by Risk Retention U.S. Persons on the Issue Date or during the Restricted Period. Consequently, (a) on the Issue Date the Notes may not be purchased by any person except for (i) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager. Each holder of a Note or a beneficial interest therein acquired on the Issue Date or during the Restricted Period, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Trustee, the Portfolio Manager and the Placement Agent that it (1) either (a) is not a Risk Retention U.S. Person or (b) it has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Note

or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Retention Rules described herein). See "*Plan of Distribution*" and "*Transfer Restrictions*". Any transfer of Note in breach of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(k) (*Forced Transfer pursuant to U.S. Retention Rules*).

The Portfolio Manager, the Issuer and the Placement Agent have agreed that none of the Placement Agent or any person who controls it or any director, officer, employee, agent or Affiliate of the Placement Agent shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section __.20 of the U.S. Retention Rules, and none of the Placement Agent or any person who controls it or any director, officer, employee, agent or Affiliate of the Placement Agent accepts any liability or responsibility whatsoever for any such determination.

There can be no assurance that the exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions will be available to the Portfolio Manager. In particular, the Portfolio Manager may not be successful in limiting investment by Risk Retention U.S. Persons to no more than 10 per cent. This may result from misidentification of Risk Retention U.S. Person investors as non-Risk Retention U.S. Person investors, or may result from market movements or other matters that affect the calculation of the 10 per cent. value on the Issue Date.

Failure on the part of the Portfolio Manager to comply with the U.S. Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Portfolio Manager which may adversely affect the Notes and the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement. Furthermore, the impact of the U.S. Retention Rules on the loan securitisation market and the leveraged loan market generally is uncertain, and a failure by the Portfolio Manager to comply with the U.S. Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

In addition, after the Issue Date, the U.S. Retention Rules may have adverse effects on the Issuer and/or the holders of the Notes. Unless the exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions or another exemption is available to the Portfolio Manager, the U.S. Retention Rules would apply to any additional notes offered and sold by the Issuer 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. 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. Retention Rules, they could apply to future material amendments to the terms of the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As noted above, the Portfolio Manager does not intend to retain at least 5 per cent. of the credit risk of the Issuer and there can be no assurance that the exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions or any other exemption will be available in connection with any such additional issuance, Refinancing or amendment occurring after the Issue Date. As a result, the U.S. Retention Rules may adversely affect the Issuer (and the performance, market value or liquidity of the Notes) if the Issuer is unable to undertake any such additional issuance, Refinancing or amendment. Furthermore, no assurance can be given as to whether the U.S. Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Portfolio Manager or the Issuer or on the market value or liquidity of the Notes.

2.29 Volcker Rule

Final rules implementing Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") became effective on 21 July 2015. Among other things, the Volcker Rule prohibits "banking entities" (including certain non-U.S. affiliates of U.S. banking entities) from certain proprietary trading activities and will restrict sponsorship or ownership of "covered funds". The definition of "covered fund" in the Volcker Rule

includes (generally) any entity that would be an investment company under the Investment Company Act but for the exemption provided under Sections 3(c)(1) or 3(c)(7) thereunder.

If the Issuer is a "covered fund", certain entities (including, without limitation, a "**banking entity**") may be prohibited from, among other things, acting as a "sponsor" to, or having an "ownership interest" in the Issuer. The Volcker Rule and interpretations thereunder, may restrict or discourage the acquisition of Notes by such entities, and may adversely affect the liquidity of the Notes. "Ownership interest" is defined to include, among other things, the right under the terms of the interest to receive a share of the income, gains or profits of a "covered fund" or through the right of a holder to participate in the selection or removal of an investment manager or advisor or the board of directors of a "covered fund" (excluding the rights of a creditor to exercise remedies upon the occurrence of an event of default or an acceleration event). The Transaction Documents provide that the Noteholders, in certain circumstances, will have rights or will have contingent rights in respect of the removal of the Portfolio Manager and selection of a replacement Portfolio Manager.

It should be noted that a "commodity pool" as defined in the CEA could, depending on which CEA exemption is used by such commodity pool or its commodity pool operator, also fall within the definition of a covered fund as described above.

The holders of any Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes and/or Class D-R Notes in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes may not vote for or against any PM Removal Resolution of PM Replacement Resolution and are not included for purposes of determining the quorum for and the outcome of any such vote. However, there can be no assurance that the absence of voting rights with respect to PM Removal Resolutions and PM Replacement Resolutions will avoid such investments in the Issuer by U.S. banking institutions and other banking entities subject to the Volcker Rule being characterised as an "ownership interest" in a "covered fund". See also paragraph 2.48 "*Resolutions, Amendments and Waivers*" below.

Although the Volcker Rule provides limited exceptions to its prohibitions, each investor in the Notes must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Notes would be restricted or prohibited under the Volcker Rule, whether its investment in any Class of Notes constitutes an "ownership interest" and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Placement Agent, the Portfolio Manager, the Trustee, the Agents, nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer, or to such investor's investment in the Notes on the Issue Date or at any time in the future.

2.30 European Risk Retention

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

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual

holders. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

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

On 30 September 2015, the European Commission (the "**Commission**") published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto, the "**Securitisation Framework**" and, together with the Draft CRR Amendment Regulation, the "**Securitisation Regulation**") which would, amongst other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The Presidency of the Council of Ministers of the European Union (the "**Council**") has also published compromise proposals concerning the Securitisation Regulation. On 8 December 2016, The Economic and Monetary Affairs Committee of the European Parliament ("**ECON**") agreed a number of compromise amendments to the Securitisation Regulation. The next step in the legislative process involves trilogue discussions among the Commission, the Council and representatives of the European Parliament and these discussions began in January 2017 and are ongoing. It is unclear at this time when these discussions will conclude and/or when the Securitisation Regulation will become effective. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements, the Securitisation Regulation and the suggested amendments put forward by each of the Council and ECON. The Securitisation Regulation may also enter into force in a form that differs from the published proposals and suggested amendments published to date. If any changes to the Conditions or the Transaction Documents are required as a result of the implementation of the Securitisation Regulation, the Issuer shall be required to bear the costs of making such changes.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements, including as a result of the Securitisation Regulation, or any future changes. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements (and any corresponding implementing rules of their regulator) and the proposed Securitisation Regulation, in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes.

With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, please see the statements set out in "*The Retention Holder and Retention Requirements*" below. In particular, investors should note that the Retention Holder intends to retain such material economic interest as "sponsor" pursuant to the EU Retention Requirements. However, the UK's departure from the EU may result in the Portfolio Manager being unable to continue to act as Retention Holder as sponsor unless the Portfolio Manager is able identify, and elects to take, any Retention Cure Action in accordance with the terms of the Transaction Documents. As detailed in "*The Retention Holder and Retention Requirements*" below, the Portfolio Manager may in its sole discretion, having determined that a Retention Compliance Event has occurred, take such action as it may deem to be reasonably necessary or appropriate (in light of the facts and circumstances existing at the time) with the intention of complying with, or preserving compliance with, the EU Retention Requirements

(such action, a "**Retention Cure Action**") subject to: (i) internal approval of such Retention Cure Action in accordance with the Portfolio Manager's usual policies and procedures and (ii) receipt of legal advice from Freshfields Bruckhaus Deringer LLP or other reputable legal counsel as selected in the Portfolio Manager's sole discretion that such Retention Cure Action is consistent with the EU Retention Requirements. The Portfolio Manager will not have any obligation to consider or take any Retention Cure Action and, if the Portfolio Manager determines not to take any Retention Cure Action, it may no longer be eligible to act as the Retention Holder pursuant to the EU Retention Requirements.

With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, please see the statements set out in "*The Retention Holder and Retention Requirements*" below.

2.31 Restrictions on the Discretion of the Portfolio Manager in Order to Comply with the Retention Requirements

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

To ensure compliance with the EU Retention Requirements, if at any time the deposit of Trading Gains into the Principal Account would, in the sole discretion of the Portfolio Manager, cause (or would be likely to cause) a Retention Deficiency, such Trading Gains which would have been deposited into the Principal Account and designated for reinvestment or used to redeem the Notes in accordance with the Principal Proceeds Priority of Payments will instead be deposited into the Interest Account. Such Trading Gains will then be distributed as Interest Proceeds if the reinvestment of such amount would, in the sole discretion of the Portfolio Manager, cause (or would be likely to cause) a Retention Deficiency in accordance with the Priorities of Payment.

In addition, the Portfolio Manager is not permitted to reinvest in Substitute Collateral Debt Obligations if such reinvestment would cause a Retention Deficiency. As a result, the Portfolio Manager may be prevented from reinvesting available proceeds in Collateral Debt Obligations in circumstances where such reinvestment would cause (or would be likely to cause) a Retention Deficiency and therefore the Aggregate Principal Balance of Collateral Debt Obligations securing the Notes may be less than what would have otherwise been the case if such amounts had been reinvested in Collateral Debt Obligations.

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

Also, the Issuer may not issue further Notes without the Retention Holder (a) consenting to such issuance and (b) subscribing for (if necessary) sufficient Subordinated Notes such that, after giving effect to such new issuance, it holds (i) for purposes of the EU Retention Requirements, Subordinated Notes with a Principal Amount Outstanding (such Principal Amount Outstanding calculated as of the date of issuance of such Subordinated Notes) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder, being, at all times, an amount equal to no less than 5 per cent. of the Aggregate Collateral Balance and (ii) for purposes of the U.S. Retention Rules, Subordinated Notes having a fair value at the date of such issuance at least equal to 5 per cent. of the fair value of as all Notes (in each case, determined using the fair value measurement framework under the US GAAP).

2.32 Retention Financing

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 (any such arrangements, the "**Retention Financing Arrangements**"). Any such Retention Financing Arrangements must comply with the Retention Requirements. In respect of any Retention Financing Arrangements, the Retention Holder may, in each case in compliance with the Retention Requirements, grant security over, or transfer title to, the Retention Notes in connection with any such financing. Such financing arrangements must be on full-recourse terms. If the collateral arrangements in respect of

such Retention Financing Arrangements are by way of title transfer, the Retention Holder would retain the economic risk in, but not legal title to, the Retention Notes.

In particular, should the Retention Holder default in the performance of its obligations under any such Retention Financing Arrangements, the lender thereunder may have the right to enforce the security granted by the Retention Holder, including effecting the sale or appropriation of some or all of the Retention Notes or, if the collateral arrangement in respect of such financing are by way of title transfer, the Retention Holder 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 Retention Financing Arrangements, the lender would not by contract be required to have regard to the Retention Requirements and any such sale or appropriation may therefore cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements. It is unclear whether the lender would be foreclosed from exercising such remedies for instance in the circumstances in which the Retention Holder were able to obtain injunctive relief from a court on the basis that such exercise would cause the Retention Holder to violate applicable law. None of the Placement Agent, the Retention Holder, the Portfolio Manager, any Agent, the Issuer, the Trustee or any of their respective Affiliates makes any representation, warranty or guarantee that such Retention Financing Arrangements will comply with the Retention Requirements. See *"Risk Factors – Certain Conflicts of interest regarding Portfolio Manager"*.

The term of any Retention Financing Arrangement may also be considerably shorter than the effective term of the Notes, requiring the Retention Holder 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 Retention Holder was unable to repay the retention financing from other sources, the Retention Holder 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 such sales may therefore cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

2.33 CRA Regulation

Aspects of Regulation (EC) No 1060/2009 (as amended) ("**CRA**") came into force on 20 June 2013 including Article 8(b). In summary, Article 8(b) of the CRA 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 8(b). Such costs and expenses will be payable by the Issuer as Administrative Expenses.

2.34 Financial Transaction Tax

In February 2013, the European Commission published a proposal (the "**Commission Proposal**") for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (each, other than Estonia, the "**Participating Member States**"). However, Estonia has ceased to participate.

Under the Commission Proposal, the proposed FTT could apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. 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 in which the parties are dealing is issued in a Participating Member State. The FTT may apply to both transaction parties where one of these circumstances applies.

The FTT may also apply to dealings in the Collateral to the extent the Collateral constitutes financial instruments within its scope, such as bonds. In such circumstances, such tax liabilities may reduce the amounts available to the Issuer to meet its obligations under the Notes and may result in amounts due to Noteholders being adversely affected.

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

2.35 Action Plan on Base Erosion and Profit Shifting

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development ("**OECD**") Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting ("**BEPS**"), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

The "Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting" (the "**Multilateral Instrument**") was published by the OECD on 24 November 2016.

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

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

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

Action 6

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances.

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 double tax treaties entered into by Ireland to be able to receive certain payments free from withholding taxes that might otherwise apply.

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

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) if it is reasonable to conclude, having regard to all the 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 PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer, or by the United Kingdom in relation to the application of Article 5 of the United Kingdom-Ireland double tax treaty.

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("CIVs"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances (a "qualified person"). The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

Whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIV funds, such as the Issuer. It is therefore 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.

In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken, including the publication on 24 March 2016 by the OECD of a public discussion draft document consulting on the entitlement of non-CIV funds to treaty benefits and the publication on 6 January 2017 of a further discussion draft on non-CIV examples. 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 Instrument.

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

Action 7

The focus of another action point (Action 7) was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an "agent of independent status" to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction.

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

As noted below, whether the Issuer will be subject to UK corporation tax may depend on, among other things, whether the Portfolio Manager is regarded as an agent of independent status acting in the ordinary course of its business for the purpose of Article 5(6) of the UK/Ireland double tax treaty. As at the date of this Prospectus, it is expected that, taking into account the nature of the Portfolio Manager's business and the terms of its appointment and its role under the Portfolio Management Agreement, the Portfolio Manager will be regarded as an agent of independent status, acting in the ordinary course of its business, or be able to rely on the UK's investment manager exemption for these purposes.

However, it is not clear what impact the Final Report relating to Action 7 will have on the UK/Ireland double tax treaty and the above analysis, principally because it is not clear to what extent (and on what timeframe) particular jurisdictions (such as the UK and Ireland) will decide to adopt any of the Final Report's recommendations. The recommendations of the Final Report on Action 7 described above do not represent a BEPS "minimum standard" and, accordingly, even where countries do sign the Multilateral Instrument (see further below), they will not be required, but may opt, to amend their existing tax treaties to include the recommendations of the Final Report. Amendments which may be made by the Multilateral Instrument would exclude the Portfolio Manager from the definition of an independent agent if it acts exclusively, or almost exclusively, on behalf of enterprises which, based on all the relevant facts and circumstances, it "controls".

The draft OECD commentary published as part of the Final Report 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.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties. Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the Multilateral Instrument, developed by an ad hoc group of over 100 countries which included Ireland and the UK. The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing tax treaties in order to implement BEPS measures. The Multilateral Instrument opened for signing as of 31 December 2016 and will become effective once ratified by at least five jurisdictions. The accompanying press release stated that a first "high-level" signing ceremony for the Multilateral Instrument will take place in the week beginning 5 June 2017.

Accordingly, at least some of the recommendations of the Final Reports on Actions 6 and 7 may be applied to existing tax treaties in a relatively short time. However, the Multilateral Instrument generally allows participating countries to opt in or out of various measures which are not a BEPS "minimum standard". It remains to be seen, therefore, precisely which options participating countries will choose and, as the Final Report on Action 6 observed, there are various reasons why countries may not implement the proposed amendments in an identical manner and/or to the same extent.

In particular, it remains to be seen what specific changes will be made to the UK/Ireland double tax treaty and any other double tax treaty on which the Issuer may rely (for example, in receiving interest from an overseas borrower at a potentially reduced rate of withholding tax under an applicable double tax treaty). A change in the application or interpretation of these double tax treaties (as a result of the adoption of the recommendations of the Final Report by way of the Multilateral Instrument or otherwise) might result in the Issuer being treated as having a taxable permanent establishment outside of Ireland, in denying the Issuer the benefit of Ireland's network of double tax treaties or in other tax

consequences for the Issuer. In each case, this could have a material adverse effect on the Issuer's business, tax and financial position.

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 could be significant were some or all of the interest which it pays on the Notes not to be deductible for United Kingdom tax purposes. If the United Kingdom imposed tax on the net income or profits of the Issuer, this may constitute a Collateral Tax Event, which may result in an optional redemption (in whole but not in part) of the Notes in accordance with See Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*).

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 "gross-up" payments were not made that cover the full amount of any such withholding taxes, the amounts available to make payments on, or distributions to, the Noteholders would accordingly be reduced. If the Issuer receives any interest payments on any Collateral Debt Obligation net of any applicable withholding tax, the Coverage Tests and the Collateral Quality Tests will be determined by reference to such net receipts. A Collateral Tax Event and/or Note Tax Event may also be triggered and result in an optional redemption of the Notes in accordance with Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*) and/or Condition 7(d) (*Redemption following a Note Tax Event*).

2.36 Irish Tax Treatment of the Issuer

The Issuer is incorporated in Ireland and is managed and controlled in Ireland for tax purposes and its directors are Irish resident individuals. It should thus be treated as resident in Ireland for Irish tax purposes and that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 of Ireland, as amended ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer, provided certain conditions are met. One such condition requires that all transactions entered into by the Issuer be on arms' length terms (apart from where that transaction is the payment of consideration for the use of principal in certain circumstances). As described in "*Acquisition of Collateral Debt Obligations*" below, the price paid by the Issuer for the Original Issue Date Collateral Debt Obligations at the time of entry into binding commitments to purchase may be more or less than the market value of those Original Issue Date Collateral Debt Obligations on the Original Issue Date. It is therefore possible that the purchase of such Collateral Debt Obligations by the Issuer may be considered not to be on arms' length terms. However, that this would not necessarily be the case solely on account of this price arrangement. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the tax treatment of the Issuer and consequently the payments on the Notes. The conditions to be met for the Issuer to be entitled to the benefits of Section 110 are outlined in "*Tax Considerations – Ireland Taxation – Taxation of the Issuer – Corporation Tax*"

2.37 EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164. The directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the proposed directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The directive provides that net borrowing costs (including, interest expenses and economically equivalent costs) in excess of the higher of (a) EUR 3,000,000 (assuming implementation includes this derogation) or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but could, depending on how the directive is implemented in Ireland, remain available for carry forward. Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Collateral Debt Obligations (such that the Issuer should have limited or no net borrowing costs), the limitation may be of limited

relevance to the Issuer. There is also an optional carve out in the directive for financial undertakings. The European Commission is also pursuing other initiatives, such as a common corporate tax base, the impact of which, if implemented, is uncertain.

2.38 EMIR

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

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

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

Clearing obligation

Commission Delegated Regulation (EU) 2015/2205 of 6 August 2015 with regard to regulatory technical standards on the clearing obligation specifies that the clearing obligation in respect of interest rate OTC derivative contracts that are (i) basis swaps and fixed-to floating swaps denominated in euro, GBP, USD and Japanese Yen and (ii) forward rate agreements and overnight swaps denominated in euro, GBP and USD, in each case, will take effect on dates ranging from 21 June 2016 (for major market participants grouped under "Category 1") to 21 December 2018 (for non-financial counterparties that are not AIFs grouped under "Category 4").

The clearing obligation may, in certain circumstances, also apply to swap arrangements entered into prior to the relevant future effective date, although the regulatory technical standards contemplate that this will not be the case for swap contracts entered into by non-financial counterparties which are not AIFs (as defined under "Alternative Investment Fund Managers Directive" below).

Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its "group", there is currently no certainty as to whether the relevant regulators will share this view.

Margin requirements

On 4 October 2016, the European Commission adopted regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central clearing counterparty to the

European Commission (the "**RTS**"). The RTS were published in the Official Journal on 15 December 2016 and entered into force on 4 January 2017.

The RTS detail the risk mitigation obligations and margin requirements in respect of non-cleared OTC derivatives as well as specify the criteria regarding intragroup exemptions and provide that the margin requirement will take effect on dates ranging, originally, from one month after the RTS enter into force (for certain entities with a non-cleared OTC derivative portfolio above €3 trillion) to 1 September 2020 (for certain entities with a non-cleared OTC derivative portfolio above €8 billion). The margin requirements apply to financial counterparties and non-financial counterparties above the clearing threshold and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin. The margin posting requirement will apply from 1 March 2017.

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

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

The Conditions allow the Issuer to amend, modify and/or supplement any Transaction Document and oblige the Trustee, without the consent of any of the Noteholders, to consent to such amendment, modification or supplement to the Transaction Documents which the Issuer certifies are required to comply with the requirements of EMIR which may become applicable at a future date.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts. These include the potential for non-financial counterparties such as the Issuer to become subject to marking to market and margin posting requirements in respect of non-cleared OTC derivatives such as Asset Swap Transactions and Interest Rate Hedge Transactions. These changes may adversely affect the Issuer's ability to enter the asset swaps 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.

2.39 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). The Portfolio Manager is not authorised under AIFMD. If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations with respect to Hedge Transactions and obligations to post margin to any central clearing counterparty or market counterparty. See also paragraph 2.38 "*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. 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 Portfolio Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. As a result, implementation of AIFMD may affect the return investors receive from their investment.

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

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

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

2.40 Basel III and other regulatory capital requirements for regulated investors

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 legislation in each jurisdiction, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction specific initiatives, such as the Solvency II framework in the European Union.

Prospective investors, including credit institutions, investment firms, insurance and reinsurance undertakings, are responsible for analysing their own regulatory position and should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. None of the Issuer, the Placement Agent, the Portfolio Manager, the Agents, the Trustee nor any of their affiliates makes any representation or warranty to any such 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.

2.41 EU Bank Recovery and Resolution Directive

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

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

Resolution Authorities also have the right to amend certain agreements, under applicable laws, regulations and guidance ("**Stay Regulations**"), to ensure stays or overrides of certain termination rights. Such special resolution regimes ("**SRRs**") vary from jurisdiction to jurisdiction, including differences in their respective implementation dates. In the UK, the Prudential Regulation Authority ("**PRA**") has implemented rules (Appendix 1 to the PRA's policy statement 25/15) which requires relevant institutions to ensure that the discretion of the PRA to temporarily suspend termination and security interests under the relevant SRR is respected by counterparties. Any applicable Stay Regulations may result in the Issuer not being able to immediately enforce liabilities owed by relevant institutions that are subject to "stays" under SRRs.

The resolution mechanisms under the BRRD correspond closely to those available to the Single Resolution Board (the "**SRB**") and the European Commission under the single resolution mechanism provided for in Regulation (EU) No 806/2014 (the "**SRM Regulation**"). The SRM Regulation applies to participating Member States (including Member States outside the Euro zone that voluntarily participate through a close co-operation agreement). In such jurisdictions, the SRB will take on many of the functions that would otherwise be assigned to national Resolution Authorities by the BRRD. If a Member State outside the Euro zone (such as the UK) has chosen not to participate in the bank single supervisory mechanism, relevant institutions established in such Member State will not be subject to the SRM Regulation, but to the application of the BRRD by the Resolution Authorities. It is possible, on the specific facts of a case, that resolution plans and resolution decisions made by the SRB may differ from the resolution schemes that would have been applied by Resolution Authorities. Therefore, the way in which a relevant institution is resolved and ultimately, the effect of any such resolution on the Issuer and the Noteholders may vary depending on the authority applying the resolution framework.

2.42 Book-entry holders are not considered Noteholders under the Trust Deed and may delay receipt of payments on the Notes

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Trust Deed. After payment of any interest, principal or other amount to the applicable

Clearing System, the Issuer will have no responsibility or liability for the payment of such amount by the applicable Clearing System or to any holder of a beneficial interest in a Note. The applicable Clearing System or its nominee will be the sole holder for any Notes held in global form, and therefore each person owning a beneficial interest in a Note held in global form must rely on the procedures of such Clearing System (and if such Person is not a participant in the applicable Clearing System on the procedures of the participant through which such Person holds such interest) with respect to the exercise of any rights of a Noteholder under the Trust Deed.

Noteholders owning a book-entry Note may experience some delay in their receipt of distributions of interest and principal on such Note since distributions are required to be forwarded by the Principal Paying Agent to the applicable Clearing System, and the applicable Clearing System will be required to credit such distributions to the accounts of its participants which thereafter will be required to credit them to the accounts of the applicable Noteholders, either directly or indirectly through indirect participants. See "*Form of the Notes*".

2.43 Security

Clearing Systems

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

A pledge was granted on the Original Issue Date pursuant to Belgian law over the Collateral Debt Obligations, Collateral Enhancement Obligations, Eligible Investments and Exchanged Equity Securities held in the Euroclear Account (the "**Euroclear Security Agreement**"). The Euroclear Security Agreement will not be amended, restated or supplemented following the Refinancing on the Issue Date.

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

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 Placement Agent, the Trustee, the Portfolio Manager, the Agents, the Hedge Counterparties 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 Debt Obligations or Eligible Investments contemplated by the Portfolio Management Agreement and the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) 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.

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

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

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 such 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 out 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 Rated Note is subsequently lowered or withdrawn for any reason, Noteholders 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 such Rated Notes and may adversely affect the Issuer's ability to make certain changes to the composition of the Collateral Debt Obligations.

In addition to the ratings assigned to the Rated Notes by the Rating Agencies, the Issuer will be utilising ratings assigned by rating agencies to Obligor of individual Collateral Debt Obligations. The Collateral Quality Tests, the Additional Reinvestment Test, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Debt Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Impaired Obligation, an S&P CCC Obligation, a Fitch CCC Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and the Additional Reinvestment Test and restriction in the Portfolio Profile Tests) or a Defaulted Obligation. The Portfolio Management Agreement contains detailed provisions for determining the Fitch Rating and the S&P Rating. In some instances, the Fitch Rating and the S&P Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation but may be based on either a private rating of the Obligor or Collateral Debt Obligation or, in certain cases, on a confidential credit estimate determined separately by Fitch and S&P. Such private ratings and confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Portfolio Manager based on, among other things, Obligor group or affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Portfolio Manager. Furthermore, such derived ratings will not reflect detailed credit analysis of the particular Collateral Debt Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Debt Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests, the Additional Reinvestment Test, the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Debt Obligation in question. Please see "*The Portfolio*" and "*Ratings of the Notes*".

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Debt Obligation might still be performing fully to the specifications set out in its Underlying Instrument. Any change in such methods

and standards could result in a significant rise in the number of Fitch CCC Obligations and S&P CCC 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 (or the requirement to reinvest Interest Proceeds in additional Collateral Debt Obligations as opposed to applying them in the payment on the Notes in accordance with the Priorities of Payment in the case of failure of the Additional Reinvestment Test). See Condition 7(c) (*Redemption upon Breach of Coverage Tests*).

Rating Agencies may refuse to give rating agency confirmations

Historically, many actions by issuers of CLO notes (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 Noteholders.

If a Rating Agency announces or informs the Trustee, the Portfolio Manager or the Issuer that confirmation from such Rating Agency is not required for a certain action or that its practice is to not give such confirmations for certain types of actions, the requirement for confirmation from such Rating Agency will not apply. 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 of liquidity of the Rated 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 (and the Issuer has appointed the Information Agent under the Portfolio Management Agreement to assist it in the performance of such obligations).

Each Rating Agency must be able to reasonably rely on the arranger's certifications as described above. If the arranger does not comply with its undertakings to any Rating Agency with respect to this transaction (or the Information Agent fails to perform its duties under the Portfolio Management Agreement), such Rating Agency may withdraw its ratings of the Rated Notes, as applicable. 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 a legal investment or the capital treatment of the Rated Notes. For the avoidance of doubt, no report of any independent accountants will be required to be provided to, or will otherwise be shared

with, any Rating Agency and will not, under any circumstances, be posted to the website maintained for the purposes of compliance with Rule 17g-5.

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

The SEC adopted Rule 15Ga-2 and Rule 17g-10 to the United States Securities Exchange Act of 1934, on 27 August 2014, which require certain filings or certifications to be made in connection with the performance of "due diligence services" for rated asset-backed securities on or after 15 June 2015. Under Rule 17g-10, a provider of third-party due diligence services must provide to each nationally recognised statistical rating organisation that is rating the applicable transaction, a written certification in a prescribed form (which obligation may be satisfied if the Issuer posts such certification in the required form to the Rule 17g-5 website referred to above, maintained in connection with the transaction).

It is presently unclear what, if any, services provided or to be provided by third parties to the Issuer in connection with the transaction described in this Prospectus, would constitute "due diligence services" under Rule 17g-10, and consequently, no assurance can be given as to whether any certification will be posted by the Issuer or delivered by any applicable third party service provider to the Rating Agencies in circumstances where such certification is deemed to have been required under the rules described in the preceding paragraph.

If the Issuer or any third party that provides due diligence services to the Issuer does not comply with its obligations under Rule 17g-10, the Rating Agencies may withdraw (or fail to confirm) their ratings of the Notes. In such case, the price or transferability of the Notes (and any beneficial owner of Notes that relies on ratings of securities for regulatory or other compliance purposes) may be adversely affected.

2.45 S&P

On 21 January 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed securities transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding \$76 million.

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

While none of these settlements concern S&P ratings of CLOs, alleged inaccuracy of S&P ratings for one type of securitisation may raise questions as to their accuracy for other types of securitisations, including CLOs.

2.46 Financial information provided to Noteholders in the Monthly Report and the Payment Date Report will be unaudited

The Issuer will, or will procure that, certain information will be made available to Noteholders (and other participants in the transaction) pursuant to the Monthly Reports and the Payment Date Reports (see "*Description of the Reports*"). Noteholders may access these reports by way of a unique password obtained from the Collateral Administrator (or as may otherwise be permitted by the Portfolio Manager). In preparing and furnishing these reports, the Issuer (or the Collateral Administrator on its behalf) will base such reports on certain information provided to it by the Portfolio Manager, and the Issuer will not verify, recompute, reconcile or recalculate any such information or data. Neither such

information nor any other financial information furnished to Noteholders will be audited and reported upon, and an opinion will not be expressed, by an independent public accountant.

2.47 Money laundering prevention laws may require certain actions or disclosures

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of 26 October 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Treasury to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Issuer to enact anti-money laundering policies.

Many other jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively with the USA PATRIOT Act, the "**AML Requirements**"). Any of the Issuer, the Placement Agent, the Portfolio Manager, the Trustee or the Agents could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. The AML Requirements could require the Issuer to implement additional restrictions on the transfer of the Notes. The Issuer reserves the right to request such information as is necessary to verify the identity of a Noteholder and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC or any other applicable AML Requirements. If there is a delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused.

2.48 Resolutions, Amendments and Waivers

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.

If a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes held or represented by any person or persons entitled to vote which are present at such meeting and vote and not by the aggregate Principal Amount Outstanding of all such Notes which are entitled to be voted in respect of such Resolution. The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Noteholders is, respectively, more than 50 per cent. or at least $66\frac{2}{3}$ per cent. of the votes cast on such Resolution. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter, which would be determined by reference to the aggregate Principal Amount Outstanding of the relevant Class of Notes. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*). There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution or an Ordinary Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than $66\frac{2}{3}$ per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only,

if applicable) and in the case of an Ordinary Resolution this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution. In addition, if a quorum requirement is not satisfied at any meeting, a lower quorum threshold 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. Any such Resolution may be adverse to any Class of Noteholders or to any group of Noteholders or individual Noteholders within any Class.

Class X-R Notes, the Class A-R Notes, Class B-R Notes, Class C-R Notes and Class D-R Notes that are in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes (and any Notes held by the Portfolio Manager or Portfolio Manager Related Persons) will have no right to vote or be counted in any quorum or result of voting in connection with any PM Removal Resolution or PM Replacement Resolution (other than for PM Voting Notes, Class E-R Notes, Class F-R Notes and/or Subordinated Notes held by the Portfolio Manager or Portfolio Manager Related Persons, a PM Replacement Resolution in respect of the appointment of a replacement Portfolio Manager which is not Affiliated to the Portfolio Manager in connection with which such Notes held by the Portfolio Manager or the Portfolio Manager Related Persons shall have a right to vote). As a result, only such Notes that are in the form of PM Voting Notes (and any Notes not held by the Portfolio Manager or any Portfolio Manager Related Person) may vote and be counted in any quorum or result of voting in respect of a PM Removal Resolution or a PM Replacement Resolution (other than for PM Voting Notes, Class E-R Notes, Class F-R Notes and/or Subordinated Notes held by the Portfolio Manager or Portfolio Manager Related Persons, a PM Replacement Resolution in respect of the appointment of a replacement Portfolio Manager which is not Affiliated to the Portfolio Manager in connection with which such Notes held by the Portfolio Manager or the Portfolio Manager Related Persons shall have a right to vote).

Notes that are in the form of PM Voting Notes (excluding any such Notes held by the Portfolio Manager or Portfolio Manager Related Persons, other than for such Notes held by the Portfolio Manager or Portfolio Manager Related Persons in connection with a PM Replacement Resolution in respect of the appointment of a replacement Portfolio Manager which is not Affiliated to the Portfolio Manager in connection with which such Notes held by the Portfolio Manager or the Portfolio Manager Related Persons shall have a right to vote) 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 Notes will be entitled to vote to pass a PM Removal Resolution or a PM Replacement Resolution and the remaining percentage of the Controlling Class (in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes and Notes held by the Portfolio Manager or any Portfolio Manager Related Persons (other than, in respect of PM Voting Notes, Class E-R Notes, Class F-R Notes and Subordinated Notes held by the Portfolio Manager or Portfolio Manager Related Persons, a PM Replacement Resolution in respect of the appointment of a replacement Portfolio Manager which is not Affiliated to the Portfolio Manager in connection with which such Notes held by the Portfolio Manager or Portfolio Manager Related Persons shall have a right to vote)) will be bound by such Resolution. Holders of the PM Voting Notes may have interests that differ from other holders of the same Class and may seek to profit or seek direct benefits from their voting rights.

The Controlling Class for the purposes of a PM Removal Resolution or a PM Replacement Resolution shall be determined in accordance with the definition thereof set out in the Conditions below. In particular, where a Class of Notes is held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes (and/or by the Portfolio Manager or Portfolio Manager Related Persons, other than for PM Voting Notes, Class E-R Notes, Class F-R Notes and/or Subordinated Notes held by the Portfolio Manager or Portfolio Manager Related Persons, a PM Replacement Resolution in respect of the appointment of a replacement Portfolio Manager which is not Affiliated to the Portfolio Manager in connection with which such Notes held by the Portfolio Manager or the Portfolio Manager Related Persons shall have a right to vote), such Class will not be the Controlling Class for such purpose, and accordingly, where the Controlling Class is entitled to vote on a PM Removal Resolution or PM Replacement Resolution in such circumstances, such right shall pass to a more junior Class of Notes in accordance with the definition of "Controlling Class".

Certain waivers, amendments and modifications to the Transaction Documents may be made without the consent of any Noteholders and the Trustee (subject to the receipt of prior written notice and certain other conditions including, without limitation those set out in Condition 14 (*Meetings of Noteholders,*

Modification, Waiver and Substitution)) will be obliged to consent to such changes. Without limitation to the foregoing, potential investors should note that the Issuer may amend the Transaction Documents in order to achieve consistency with certain Rating Agency requirements and the related definitions, provided that Rating Agency Confirmation has been obtained and (to the extent provided in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*)) the Controlling Class has consented by way of Ordinary Resolution. The Trustee has no discretion in such cases to agree to any amendments, modifications and/or waivers. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*). Any such amendment or modification could be prejudicial or adverse to certain Noteholders.

The Trustee may agree to certain modifications, amendments and waivers in relation to provisions of the Transaction Documents without the consent of the Noteholders if the Trustee determines that such would not be materially prejudicial to the rights or interests of the holders of any Class of Notes. The Trustee may further agree to formal, minor or technical changes to the Transaction Documents or to changes to correct a manifest error without the consent of the Noteholders. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Without affecting the rights of the Trustee referred to in the immediately preceding paragraph, 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 can only be amended or waived by 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 which are formal, minor or technical changes, 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, which the Trustee is obliged to consent to without the consent of the Noteholders as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

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 the modification of the Transaction Documents which may be beneficial to or in the best interests of the Noteholders.

The Hedge Agreements may allow a certain period for the relevant Hedge Counterparty to consider and respond to such a consent request. During such period and pending a response from the relevant Hedge Counterparty, the Issuer may not be able to make such modification, amendment or supplement, and therefore implementation thereof may be delayed.

2.49 Enforcement rights following a Note Event of Default

If a Note Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by Ordinary Resolution (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer, the Hedge Counterparties and the Portfolio Manager that all the Notes are to be immediately due and payable following which the security over the Collateral shall become enforceable and, subject as provided below, may be enforced either by the Trustee, at its discretion, or if so directed by the Controlling Class acting by Ordinary Resolution (subject to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction). Following a Note Event of Default described in paragraph (vi) (*Insolvency Proceedings*) or (vii) (*Illegality*) 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 payable and the security over the Collateral becomes enforceable, the Trustee may, at its discretion, and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), take an Enforcement Action in respect of the security over the Collateral, provided that no such Enforcement Action may be taken by the Trustee unless: (A) it (or an agent or Appointee on its

behalf) determines (in consultation with the Portfolio Manager) 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 C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes) and all amounts payable in priority to the Subordinated Notes pursuant to the Priorities of Payment; or otherwise (B)(i) in the case of a Note Event of Default specified in sub paragraphs (i), (ii) or (iv) of Condition 10(a) (*Note Events of Default*) the Controlling Class acting by way of Ordinary Resolution (and no other Class of Notes) may direct the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or (ii) in the case of any other Note Event of Default specified in Condition 10(a) (*Note Events of Default*), the holders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution may direct the Trustee to take Enforcement Action (subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction).

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 all the Notes in accordance with the Post-Acceleration Priority of Payments and/or at a time when enforcement thereof may be adverse to the interests to certain Classes of Notes and, in particular, the Subordinated Notes.

2.50 The Common Reporting Standard

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

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

Over 95 jurisdictions have committed to exchanging information under the CRS and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All EU Member States are members of the Early Adopter Group.

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

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

2.51 Irish Value Added Tax Treatment of the Portfolio Management Fees

Under current Irish law, the Portfolio Management Fees should be exempt from value added tax in Ireland as consideration paid for collective portfolio management services provided to a "qualifying company" for the purposes of Section 110. 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. The Issuer will be such a "qualifying company", therefore management services supplied to it are exempt from value added tax in Ireland under current law. On 9 December 2015 the European Court of Justice handed down its judgment in the case of *Staatssecretaris van Financiën v Fiscale Eenheid X NV* cs Case C-595/13 which concerned Dutch law on value added tax, in particular the Dutch interpretation of the term "special investment fund" under the VAT Directive, and could suggest that the exemption had been enacted by some member states more broadly than is permitted by the VAT Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from value added tax on Portfolio Management Fees for entities such as the Issuer.

3. Relating to the Collateral Debt Obligations

3.1 The Portfolio

The decision by any prospective Noteholder to invest in the Notes should be based, among other things (including, without limitation, the identity of the Portfolio Manager), on the Eligibility Criteria which each Collateral Debt Obligation is required to satisfy, as disclosed in this Prospectus, and on the Portfolio Profile Tests, Collateral Quality Tests, the Additional Reinvestment Test and the Coverage Tests. This Prospectus contains limited information regarding the Portfolio as set out in Annex C (*Issue Date Payments Report*). Without prejudice to the generality of the foregoing, Noteholders should note that such information in Annex C (*Issue Date Payments Report*) shows that, as of the date of such information, certain of the Collateral Quality Tests were failing. There is no guarantee that any such Collateral Quality Test will be subsequently passed as a result of the amendments on the Issue Date to the Transaction Documents (including the terms of the Collateral Quality Tests themselves). Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgement and ability of the Portfolio Manager in acquiring investments for purchase on behalf of the Issuer over time. No assurance can be given that the Issuer will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

Neither the Issuer nor the Placement Agent has made or will make any investigation into the Obligors of the Collateral Debt Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Placement Agent, the Agents, the Custodian, the Portfolio Manager, any Hedge Counterparty or any of their Affiliates is under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Portfolio Manager, the Agents, any Hedge Counterparty, the Placement Agent or any of their Affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Collateral Debt Obligations from time to time.

3.2 Nature of Collateral; defaults

The Issuer will invest in a portfolio of Collateral Debt Obligations consisting at the time of acquisition of predominantly Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds as well as certain other investments, all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans. The Collateral is subject to credit, liquidity and interest rate risks.

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

Due to the fact that the Subordinated Notes represent a leveraged investment in the underlying Collateral Debt Obligations, it is anticipated that changes in the market value of the Subordinated Notes will be greater than changes in the market value of the underlying Collateral Debt Obligations.

The offering of the Notes has been structured so that the Notes are assumed to be able to withstand certain assumed losses relating to defaults on the underlying Collateral Debt Obligations. See "*Ratings of the Notes*". There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Notes could be adversely affected by such defaults. Whether and by how much defaults on the Collateral Debt Obligations adversely affect each Class of Notes will be directly related to the level of subordination thereof pursuant to the Priorities of Payment. The risk that payments on the Notes could be adversely affected by defaults on the related Collateral Debt Obligations is likely to be increased to the extent that the Portfolio is concentrated in any one issuer, industry, region or country as a result of the increased potential for correlated defaults in respect of a single issuer or within a single industry, region or country as a result of downturns relating generally to such industry, region or country. Subject to any confidentiality obligations binding on the Issuer, Noteholders will receive information through the Reports from time to time of the identity of Collateral Debt Obligations which are "Defaulted Obligations".

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

The financial markets periodically experience substantial fluctuations in prices for obligations of the types that may be Collateral Debt Obligations and limited liquidity for such obligations. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Issue Date. During periods of limited liquidity and higher price volatility, the ability of the Portfolio Manager (on behalf of the Issuer) to acquire or dispose of Collateral Debt Obligations at a price and time that the Portfolio Manager deems advantageous may be impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is either unable to dispose of Collateral Debt Obligations whose prices have risen or to acquire Collateral Debt Obligations whose prices are on the increase; the Portfolio Manager's inability to dispose fully and promptly of positions in declining markets will conversely cause their net asset value to decline as the value of unsold positions is marked to lower prices. A decrease in the Market Value of the Collateral Debt Obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral Debt Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Notes. Accordingly, no assurance can be given as to the amount of proceeds of any sale or disposition of such Collateral Debt Obligations at any time, or that the proceeds of any such sale or disposition would be sufficient to repay a corresponding par amount of principal of and interest on the Notes after, in each case, paying all amounts payable prior thereto pursuant to the Priorities of Payment. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

3.3 Below investment-grade Collateral Debt Obligations involve particular risks

The Collateral Debt Obligations will consist primarily of non-investment grade loans or interests in non-investment grade loans and bonds, which are subject to liquidity, market value, credit, interest rate,

reinvestment and certain other risks. It is anticipated that the Collateral Debt Obligations generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the Portfolio is concentrated in one or more particular types of Collateral Debt Obligations.

Prices of the Collateral Debt Obligations may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the Obligor of the Collateral Debt Obligations. The current uncertainty affecting the European economy and the economies of countries in which issuers of the Collateral Debt Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Debt Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organised exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customised, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the Collateral Debt Obligations, and an increase in default levels could adversely affect payments on the Notes.

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

It is a requirement of the rating of the Rated Notes that Collateral Debt Obligations that are to constitute Restructured Obligations following a restructuring satisfy the Restructured Obligation Criteria on the applicable Restructuring Date. Such requirement may result in Collateral Debt Obligations ceasing to be Collateral Debt Obligations following a restructuring of the terms thereof.

3.4 Credit ratings are not a guarantee of quality or performance

Credit ratings of Collateral Debt Obligations represent the rating agencies' opinions regarding their credit quality but are not a guarantee of such quality or performance. A credit rating is not a recommendation to buy, sell or hold Collateral Debt Obligations and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. If a credit rating assigned to any Collateral Debt Obligation is lowered for any reason, no party is obliged to provide any additional support or credit enhancement with respect to such Collateral Debt Obligation. Rating agencies attempt to evaluate the relative future creditworthiness of an obligation and do not address other risks, including but not limited to, liquidity risk, market value or price volatility; therefore, ratings do not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an Obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Debt Obligation (as is also the case in respect of the Rated Notes) should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous

Collateral Debt Obligations at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings of Collateral Debt Obligations included in or similar to the Collateral Debt Obligations will be subject to significant or severe adjustments downward. See paragraph 2.44 "*Actions of any Rating Agency can adversely affect the market value or liquidity of the Notes*".

3.5 The Target Par Amount

The Issuer will, by or on the Issue Date, have acquired Collateral Debt Obligations, the Aggregate Principal Balance of which is to equal approximately €300,000,000 on the primary or secondary market. The Issuer will use the proceeds of the issuance of the Refinancing Notes to effect the refinancing of the Refinanced Notes and to purchase further Collateral Debt Obligations. The requirement that the Eligibility Criteria be satisfied applies only at the time that any commitment to purchase is entered into provided that Original Issue Date Collateral Debt Obligations must satisfy the Eligibility Criteria as at the Original Issue Date. It is possible that the obligations (other than Original Issue Date Collateral Debt Obligations which settle on or prior to the Original Issue Date) may not satisfy such Eligibility Criteria on the later settlement of the acquisition thereof due to intervening events. 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.

3.6 Noteholders will receive limited disclosure about the Collateral Debt Obligations

None of the Issuer or the Portfolio Manager will provide the Noteholders or the Trustee with financial or other information (which may include material non-public information) it receives pursuant to the Collateral Debt Obligations and related documents unless required to do so pursuant to the Trust Deed or the Portfolio Management Agreement. The Portfolio Manager also will not disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Debt Obligations or related documents unless required to do so pursuant to the Trust Deed or the Portfolio Management Agreement. In particular, the Portfolio Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Debt Obligations, except as may be required in connection with the regular reports prepared by the Issuer (or the Collateral Administrator on behalf of the Issuer) in accordance with the Trust Deed.

The Noteholders and the Trustee will not have any right to inspect any records relating to the Collateral Debt Obligations, and the Portfolio Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any Obligor on, any Collateral Debt Obligations, unless (i) specifically required by the Portfolio Management Agreement or (ii) following its receipt of a written request from the Trustee, the Portfolio Manager in its sole discretion determines that the disclosure of such further information or evidence regarding the existence or terms of, or the identity of any Obligor on, any Collateral Debt Obligation to the Trustee would not be prohibited by applicable law or the Underlying Instruments relating to such Collateral Debt Obligation, in which case the Portfolio Manager will disclose such further information or evidence to the Trustee; provided that (a) the Trustee will not disclose such further information or evidence to any third party except (i) to the extent disclosure may be required by law or any governmental or regulatory authority and (ii) to the extent that the Trustee, in its sole discretion, may determine that such disclosure is consistent with its obligations under the Trust Deed. Furthermore, the Portfolio Manager may, with respect to any information that it elects to disclose, demand that persons receiving such information execute confidentiality agreements before being provided with the information.

3.7 Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Debt Obligations

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Portfolio, the Issuer may be subject to allegations of 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 undercapitalisation 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 shareholder 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 Portfolio, the Portfolio may be subject to claims of equitable subordination.

Because Affiliates of, or Persons related to, the Portfolio Manager may hold equity or other interests in Obligors of Collateral Debt Obligations, the Issuer could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

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

3.8 Acquisition and Disposition of Collateral Debt Obligations

The Portfolio Manager's decisions concerning purchases of Collateral Debt Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Portfolio Management Agreement. The failure or inability of the Portfolio Manager to acquire Collateral Debt Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Debt Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

On the Issue Date, the Portfolio Manager, at its discretion, may apply some or all of the Excess Par Amount in accordance with the Post-Acceleration Priority of Payments instead of retaining such amount in the Issuer as Principal Proceeds for future reinvestment. Accordingly, amounts which could otherwise have financed the purchase of additional Collateral Debt Obligations following the Issue Date, may instead, at the Portfolio Manager's discretion, be applied in accordance with the Post-Acceleration Priority of Payments including by way of distribution to the Subordinated Notes.

Under the Portfolio Management Agreement and as described herein, the Portfolio Manager may only, on behalf of the Issuer, dispose of a limited percentage of Collateral Debt Obligations (other than a Original Issue Date Collateral Debt Obligation that does not satisfy the Eligibility Criteria), an obligation which did not satisfy the Eligibility Criteria on the date on which the Issuer or the Portfolio Manager on behalf of the Issuer entered into a binding commitment to acquire it, a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation, an Exchanged Security or a Collateral Enhancement Obligation). Notwithstanding such restrictions and subject to the satisfaction of the conditions set out in the Portfolio Management Agreement, sales and purchases by the Portfolio Manager of Collateral Debt Obligations could result in losses by the Issuer, which will be borne in the first instance by the holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

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

3.9 Reinvestment risk/uninvested cash balances

To the extent that the Portfolio Manager (acting on behalf of the Issuer) 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 some circumstances the cash balances invested in short-term investments may accrue negative interest so that the Issuer is obliged to make payments to the institution with which such short-term investments are made. In general, the larger the amount and the longer the time period during which cash balances

remain uninvested the greater the adverse impact on Portfolio income which will reduce amounts available for payment on the Notes, especially the Subordinated Notes. The extent to which cash balances remain uninvested will be subject to a variety of factors, including future market conditions and is difficult to predict.

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

The timing of the initial investment of the net proceeds 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 the Noteholders 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 Debt Obligations. The longer the period between reinvestment of cash in Collateral Debt Obligations, the greater the adverse impact may be on the aggregate amount of the Interest Proceeds collected and distributed by the Issuer, including on the Notes, especially the most junior Class or Classes of Notes, thereby resulting in lower yields than could have been obtained if Principal Proceeds 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 Secured Loans usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Debt Obligations which risk will first be borne by holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

The amount of Collateral Debt Obligations owned by the Issuer on the Issue Date, the timing of purchases of additional Collateral Debt Obligations on and after the Issue Date and the scheduled interest payment dates of those Collateral Debt Obligations may have a material impact on collections of Interest Proceeds during the first 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.

3.10 Early Redemption and Prepayment Risk

Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Collateral Debt Obligations

Loans are generally prepayable in whole or in part at any time at the option of the Obligor thereof at par plus accrued and unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, principal proceeds received upon such a prepayment are subject to reinvestment risk during the Reinvestment Period. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Debt Obligations with comparable interest rates that satisfy the Eligibility Criteria or Reinvestment Criteria (as applicable) specified herein may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Rated Notes and the distributions on the Subordinated Notes. There is no assurance that the Issuer will be able to reinvest proceeds in Collateral Debt Obligations with comparable interest rates at favourable prices that satisfy the Eligibility Criteria or in compliance with the Reinvestment Criteria (as applicable) or (if it is able to make such reinvestments) as to the length of any delays before such investments are made. The rate of prepayments, amortisation and defaults may be influenced by various factors including:

- changes in Obligor performance and requirements for capital;
- the level of interest rates;
- lack of credit being extended and/or the tightening of credit underwriting standards in the commercial lending industry; and
- the overall economic environment, including any fluctuations in the recovery from the current economic conditions.
- The Issuer cannot predict the actual rate of prepayments, accelerated amortisation or defaults which will be experienced with respect to the Collateral Debt Obligations. As a result, the Notes may not be a suitable investment for any investor that requires a regular or predictable schedule of principal payments.

Early Redemption Risk

Bonds frequently have call or redemption features (with or without a premium or make whole) that permit the issuer to redeem such obligations prior to their final maturity date.

Repayments on bonds may be caused by a variety of factors which are difficult to predict. Accordingly, there exists a risk that bonds purchased at a price greater than par may experience a capital loss as a result of such repayment. In addition, Principal Proceeds received upon such a repayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Debt Obligations with comparable interest rates that satisfy the Eligibility Criteria and may be acquired in compliance with the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by holders of the Notes and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Debt Obligations with comparable interest rates that satisfy the Eligibility Criteria or 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.

3.11 Characteristics and risks relating to the Portfolio

Characteristics of Senior Secured Loans, Senior Secured Bonds, High Yield Bonds and Mezzanine Obligations

The Portfolio Profile Tests provide that on each Measurement Date (save as otherwise provided herein) either "at least" or "not more than" certain specified percentages of the Aggregate Collateral Balance shall consist of particular categories of Collateral Debt Obligations including Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds.

Although any particular Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds may share many similar features with other loans and obligations of its type, the actual term of any Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds will have been a matter of negotiation and will be unique. Any such particular loan or security 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.

Senior Secured Loans, Senior Secured Bonds, Unsecured Senior Obligations, Mezzanine Obligations, and High Yield Bonds 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 share purchases. As a result of the additional debt incurred by the Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade.

Senior Secured Loans, Senior Secured Bonds and Unsecured Senior Obligations are typically at the most senior level of the capital structure with Mezzanine Obligations being subordinated to any senior loans or to any other senior debt of the Obligor.

Mezzanine Obligations take the form of medium term loans or obligations of such type repayable shortly (perhaps six months or one year) after the senior loans or obligations 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), they will carry a higher rate of interest to reflect the greater risk of such an obligation 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.

Cov-Lite Loans

The Issuer or the Portfolio Manager acting on its behalf may purchase Collateral Debt Obligations which are Cov-Lite Loans, subject to the constraints contained in the Portfolio Profile Tests. Cov-Lite Loans typically do not have Maintenance Covenants 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 Debt Obligations. This makes it more likely that any default will only arise under a Cov-Lite Loan at a stage where the relevant Obligor is in a greater degree of financial distress. Such a delay may make any successful restructuring more difficult to achieve and/or result in a greater reduction in the value of the Cov-Lite Loan as a consequence of any restructuring effected in such circumstances.

Security

Senior Secured Loans and Senior Secured Bonds are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred shares 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. Mezzanine Obligations may have the benefit of a second priority charge over such Collateral Debt Obligations. Unsecured Senior Obligations do not have the benefit of such security. High Yield Bonds are also generally unsecured.

Senior Secured Loans and Senior Secured Bonds 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.

Collective Action Clauses

Senior Secured Bonds, Unsecured Senior Obligations (other than those in the form of loans) and High Yield Bonds typically contain bondholder collective action clauses permitting specified majorities of bondholders to approve matters which, in a typical senior loan, would require unanimous lender consent. The Obligor under a Secured Senior Bond, Unsecured Senior Obligation (other than in the form of loans) or High Yield Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Portfolio Management Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Secured Senior Bond, Unsecured Senior Obligation (other than in the form of a loan) or High Yield Bond may be varied without the consent of the Issuer.

Rate of Interest

Some Collateral Debt Obligations bear interest at a fixed rate, for example certain Senior Secured Bonds and High Yield Bonds. Risks associated with fixed rate obligations are discussed at paragraph 3.20 "*Relating to the Collateral Debt Obligations - Interest rate risk*" below. The majority of Senior Secured 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 borrower a choice of one, two, three, six, nine or twelve month interest and rate reset periods.

Loan Fees

The purchaser of an interest in a Secured Senior Loan, Mezzanine Obligation in the form of a loan or Unsecured Senior Obligation in the form of a loan may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Secured Senior Loan, Mezzanine Obligation in the form of a loan or Unsecured Senior Obligation in the form of a loan, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Restrictive Covenants

Senior Secured Loans, Senior Secured Bonds, High Yield Bonds, Mezzanine Obligations and Unsecured Senior Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders or bondholders to receive timely payments of interest on, and repayment of, principal of the obligations. 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 Secured Senior Loan, Mezzanine Obligation or Unsecured Senior Obligation which is not waived by the lending syndicate is normally an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. A breach of covenant (after giving effect to any cure period) under a Secured Senior Bond or a High Yield Bond which is not waived by the requisite majority of the holders thereof is normally an event of default which may trigger the acceleration of the bonds. However, although any particular Senior Loan, Secured Senior Bond, High Yield Bond or Mezzanine Obligation may share many similar features with other loans or bonds and obligations of its type, the actual terms of any Senior Loan, Secured Senior Bond, High Yield Bond or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan or bond 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.

Limited liquidity, prepayment and default risk of Senior Secured Loans, Mezzanine Obligations and Unsecured Senior Obligations

In order to induce banks and institutional investors to invest in Senior Secured Loans, Mezzanine Obligations in the form of loans or Unsecured Senior Obligations in the form of loans, 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 Secured Senior Loan, Mezzanine Obligation or Unsecured Senior Obligation, and the private syndication of the loan, Senior Secured Loans, Mezzanine Obligations in the form of loans and Unsecured Senior Obligations in the form of loans 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, Senior Secured Bonds, Mezzanine Obligations and Unsecured Senior Obligations have been predominantly commercial banks and investment banks. The range of investors for such obligations has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and Portfolio 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 Collateral Debt Obligations will be subject to greater disposal risk if such Collateral Debt Obligations are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations and Unsecured Senior Obligations is also generally less liquid than that for Senior Secured Loans, resulting in increased disposal risk for such obligations.

Limited liquidity, prepayment and default risk of Senior Secured Bonds and High Yield Bonds

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

Increased risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any senior loan or other senior debt 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.

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 Secured 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.

Defaults and recoveries

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

affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

The effect of an economic downturn on default rates and the ability of finance providers to protect their investment in a default is uncertain. Furthermore, the holders of Senior Secured Loans, Senior Secured Bonds, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds are more diverse than ever before, including not only banks and specialist finance providers but also alternative Portfolio 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 Secured Loans, Senior Secured Bonds, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Debt Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial work out 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, an extension of the 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. 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 (including the UK, as noted above), obligors or lenders may seek a "scheme of arrangement". In such instance, a lender may be forced by a court to accept restructuring terms. Recoveries on Senior Secured Loans, Senior Secured Bonds, Mezzanine Obligations, Unsecured Senior Obligations and High Yield Bonds will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder.

Second Lien Loans

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

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

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

Characteristics and risks associated with investing in High Yield Bonds involves certain risks

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 typically associated with investment grade corporate obligations and secured obligations. Depending upon market conditions, there may be a very limited market for High Yield Bonds. High Yield Bonds 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 had previously operated. The lower rating of High Yield Bonds reflects a greater possibility that adverse changes in the financial condition of the Obligor or general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings or disruptions in the financial markets) or both may impair the ability of the Obligor to make payments of principal and interest. 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 forming part of the Portfolio.

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 Rated Notes.

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. 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 Portfolio 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 Collateral Debt Obligations.

The Portfolio Manager may, in accordance with its portfolio management practices and subject to the Transaction Documents, 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.

Characteristics and risks associated with investing in Unsecured Senior Obligations involves certain risks

Unsecured Senior Obligations of an applicable Obligor, may be subordinated to other obligations of the Obligor and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. Unsecured Senior Obligations will generally have lower rates of recovery than secured obligations following a default. Also, if the insolvency of an Obligor of any Unsecured Senior Obligations occurs, the holders of such Unsecured Senior Obligations will be considered general, unsecured creditors of the Obligor and will have fewer rights than secured creditors of the Obligor.

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 involves additional risks. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Issuer will correctly evaluate the value of the assets securing the Corporate Rescue Loan or the prospects for a successful reorganisation or similar action and accordingly the Issuer could suffer significant losses on its investments in 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. insolvency law, it has a priority permitted by section 364(c) or section 364(d) under the United States Bankruptcy Code and at the time that it is acquired by the Issuer is required to be current with respect to scheduled payments of interest and principal (if any).

Bridge Loans

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

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 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 loan facility will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

Participations, Novations and Assignments

The Portfolio Manager, acting on behalf of the Issuer may acquire interests in Collateral Debt Obligations which are loans either directly (by way of novation or assignment) or indirectly (by way of participation). Interests in loans acquired directly by way of novation or assignment are referred to herein as "Assignments". Interests in loans taken indirectly by way of participation are referred to herein as "Participations". 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".

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 once the novation or assignment is complete. The Issuer will, however, assume the credit risk of the borrower. The purchaser of an Assignment also typically succeeds to and becomes entitled to the benefit of any other rights of the Selling Institution in respect of the loan agreement including the right to the benefit of any security granted in respect of the loan interest transferred. The loan agreement usually contains mechanisms for the transfer of the benefit of the loan and the security relating thereto. The efficacy of these mechanisms is rarely tested, if ever, and there is debate amongst counsel in continental jurisdictions over their effectiveness. With regard to some of the loan agreements, security will have been granted over assets in different jurisdictions. Some of the jurisdictions will require registrations, filings and/or other formalities to be carried out not only in relation to the transfer of the loan but, depending on the mechanism for transfer, also with respect to the transfer of the benefit of the security.

Participations by the Issuer in a Selling Institution's portion of a loan typically result 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 (and such payments may be commingled with other monies not related to such Participation). 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. If an insolvency of the Selling Institution selling a Participation occurs, 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 Institutions may not be required to consider the interest of the Issuer in connection with the exercise of its votes. Whilst the Issuer may have a right to elevate a Participation to a direct interest in the participated loan, such right may be limited by a number of factors.

In addition, Participations may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

Additional risks are therefore associated with the purchase of Participations by the Issuer as opposed to Assignments. The Portfolio Profile Tests impose limits on the amount of Collateral Debt Obligations that may comprise Participations as a proportion of the Aggregate Collateral Balance.

3.12 The Issuer may not be able to acquire Collateral Debt Obligations that satisfy the Eligibility Criteria or in compliance with the Reinvestment Criteria, as applicable

The Portfolio Manager is permitted to purchase Collateral Debt Obligations after the Issue Date as described herein, in accordance with the Eligibility Criteria or the Reinvestment Criteria, as applicable. The ability of the Portfolio Manager (on behalf of the Issuer) to acquire Collateral Debt Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable, at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Debt Obligations. Any inability of the Portfolio Manager (on behalf of the Issuer) to acquire Collateral Debt Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable, specified herein may adversely affect the timing and amount of payments received by the Noteholders and the yield to maturity of the Rated Notes and the distributions on the Subordinated Notes. There is no assurance that the Portfolio Manager on behalf of the Issuer will be able to acquire Collateral Debt Obligations that satisfy the Eligibility Criteria or the Reinvestment Criteria, as applicable.

3.13 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 Collateral Enhancement Account at the relevant time or, subject to a limit of three times in aggregate on or after the Issue Date, by way of a Portfolio Manager Advance, in each case in accordance with the Conditions. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Portfolio Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payment rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Collateral Enhancement Account in accordance with the Priorities of Payment is subject to the following caps: (i) €200,000 in aggregate on the first Payment Date after the Original Issue Date (which has passed) and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €1,000,000.

All proceeds received in respect of any Collateral Enhancement Obligations will be paid into the Collateral Enhancement Account for allocation in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments (or as otherwise permitted pursuant to Condition 3(j)(vii) (*Collateral Enhancement Account*)).

The Portfolio 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 there can be no assurance that the Balance standing to the credit of the Collateral Enhancement 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 Portfolio 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 Collateral Enhancement Account (as well as the availability of Portfolio Manager Advances, in accordance with the Conditions) to pay the costs of any such exercise. 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, Portfolio Profile Tests or Collateral Quality Tests.

3.14 Limited Control of Administration and Amendment of Collateral Debt Obligations

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

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

3.15 Certain risks relating to Hedge Agreements

The payments associated with any Hedge Agreements generally rank senior to payments on the Notes. The Placement Agent and/or one or more of its Affiliates with acceptable credit support arrangements may act as counterparty with respect to all or some of the Hedge Agreements, which may create certain conflicts of interest. Moreover, if the insolvency of a Hedge Counterparty occurs, the Issuer will be treated as a general creditor of such Hedge Counterparty. Consequently, the Issuer will be subject to the credit risk of each Hedge Counterparty, as well as that of the related Collateral Debt Obligations.

The Hedge Agreements also pose risks upon their termination. A Hedge Counterparty may terminate the applicable Hedge Agreements upon the occurrence of certain events of default or termination events thereunder with respect to the Issuer (including, but not limited to, bankruptcy, if any withholding tax is imposed on payments thereunder by or to such Hedge Counterparty, a change in law making the performance of the obligations under such Hedge Agreement unlawful, or the determination to sell or liquidate the Collateral Debt Obligations upon the occurrence of a Note Event of Default under the Trust Deed), and in the case of such early termination of any Hedge Agreement, the Issuer may be required to make a payment to the related Hedge Counterparty. Any amounts that would be required to be paid by the Issuer to enter into replacement Hedge Agreements will reduce amounts available for payments to Noteholders. In either case, there can be no assurance that the remaining payments on the Collateral Debt Obligations would be sufficient to make payments of interest and principal on the Rated Notes and distributions with respect to the Subordinated Notes.

The Issuer may terminate a Hedge Agreement upon the occurrence of certain events of default or termination events thereunder with respect to the Hedge Counterparty (including, but not limited to, bankruptcy or the failure of the Hedge Counterparty to make payments to the Issuer under the applicable Hedge Agreement). Even if the Issuer is the terminating party, it may owe a termination payment to the Hedge Counterparty as described in the immediately preceding paragraph. If the Issuer terminated a Hedge Agreement upon the occurrence of a bankruptcy of the applicable Hedge Counterparty, there can be no assurance that termination amounts due and payable to the Hedge Counterparty from the Issuer would be subordinated to payments made to the Noteholders as required under the Priorities of Payment. Recent decisions in U.S. bankruptcy proceedings have held that subordination provisions similar to those set out in the Priorities of Payment are unenforceable with respect to a bankrupt Hedge Counterparty. In addition, upon the occurrence of a bankruptcy of a Hedge Counterparty, if the Issuer fails to terminate the applicable Hedge Agreement in a timely manner, such

Hedge Agreement could be assumed by the bankruptcy estate of such Hedge Counterparty and the Issuer could be required to continue making payments to such Hedge Counterparty, even if such Hedge Counterparty failed to perform its obligations under the applicable Hedge Agreement prior to the assumption. In either case, amounts available for payments to Noteholders would be reduced and may be materially reduced. See also paragraph 3.17 "Flip clauses" below, in particular in relation to the bankruptcy position under English law.

3.16 Concentration risk

The Issuer will invest in a Portfolio of Collateral Debt Obligations consisting, of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Unsecured Senior Obligations, Mezzanine Obligations, PIK Securities, Corporate Rescue Loans, Bridge Loans and High Yield Bonds. 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*".

3.17 Flip clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.)*, Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. 20 May 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the United States Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgment of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard.

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

debtors of Lehman Brothers concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

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

3.18 Credit risk

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

3.19 Counterparty risk

Assignments, Participations and Hedge Transactions, each 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. Counterparties in respect of Participations and Hedge Agreements are each required to satisfy the applicable Rating Requirement, upon entry into the applicable contract or instrument.

If a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, there will be a termination event under the applicable Hedge Agreement unless, within the applicable remedy period following such rating withdrawal or a downgrade, such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other such strategy as may be approved by the Rating Agencies.

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

Transactions with counterparties that are relevant institutions for the purposes of the BRRD may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" above.

3.20 Interest rate risk

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

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested in Substitute Collateral Debt Obligations will generally be used to repay principal on the Notes, subject to the Priorities of Payment. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. Depending on whether payments of principal on Fixed Rate Collateral Debt Obligations or Floating Rate Collateral Debt Obligations are invested in Substitute Collateral Debt Obligations or used to repay principal on the Notes, subject to the Priorities of Payment, such fixed/floating rate mismatch and/or floating rate basis mismatch described above may be improved or may be made worse. The calculation of EURIBOR on the Rated Notes, as applicable, is subject to a floor of zero. In addition, pursuant to the Portfolio Management Agreement, the Portfolio Manager, acting on behalf of the Issuer, is authorised (but is not obliged) to enter into 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 (other than in the case of a Form Approved Hedge) and subject to certain regulatory considerations in relation to swaps, discussed in *"Relating to the Notes - The Dodd-Frank Act and U.S. Retention Rules"* and *"Relating to the Notes - EMIR"* above. However, the Issuer will depend on each Interest Rate Hedge Counterparty to perform its obligations under any Interest Rate Hedge Transaction to which it is a party and if any Interest Rate 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 Interest Rate Hedge Counterparty to cover its interest rate risk exposure.

Interest Amounts are due and payable in respect of the Notes on a quarterly basis during each three month Accrual Period and on a semi-annual basis during each six month Accrual Period. If a significant number of Collateral Debt Obligations pay interest on a semi-annual or annual basis, there may be insufficient interest received to make quarterly interest payments on the Notes during three month Accrual Periods. In order to mitigate the effects of any such timing mismatch, prior to the occurrence of a Frequency Switch Event (since following the occurrence of such an event, Accrual Periods will be semi-annual), the Issuer will be required to hold back a portion of the interest received on Collateral Debt Obligations which pay interest less than quarterly in order to make quarterly payments of interest on the Notes ("**Interest Smoothing**").

In addition, if a significant number of Collateral Debt Obligations switch from paying interest on a quarterly to a semi-annual basis, a Frequency Switch Event may occur pursuant to the Conditions and following the occurrence of which Note Payments shall be made on a semi-annual basis in order to mitigate such reset risk. See the definition of "Frequency Switch Event" contained in the Conditions.

However, there can be no assurance that Interest Smoothing and such Frequency Switch Event mechanism will be sufficient to mitigate basis and reset risks respectively.

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

On 5 June 2014, the European Central Bank announced that it would charge a negative rate of interest on bank deposits with the European Central Bank. To the extent the European Central Bank's or other central bank's deposit rate from time to time results in the Account Bank incurring negative deposit rates as a result of maintaining any accounts on the Issuer's behalf, the Issuer will be required to reimburse the Account Bank in an amount equal to the chargeable interest incurred on such accounts as

a result of such negative deposit rates. Prospective investors should note that given recent levels, and moves in respect of, deposit rates it appears likely the Issuer will be required to make such payments in reimbursement of the Account Bank. Any such payments shall be paid as Administrative Expenses, subject to and in accordance with the Priorities of Payment and may, accordingly, have a negative impact on the amounts available to the Issuer to apply as payments on the Notes.

To the extent that the European Central Bank's or other central bank's deposit rate from time to time results in obligors in respect of financial instruments held by the Issuer as Eligible Investments incurring negative deposit rates as a result of having issued such instruments and whilst such instruments remain outstanding, the Issuer (as holder of such instruments) may also be required to compensate the relevant obligors for such chargeable interest incurred in the form of a mandatory reduction in the principal amount outstanding of such instruments in accordance with their terms.

3.21 Currency risk and Asset Swap Transactions

The Issuer may acquire Non-Euro Obligations. The percentage of the Aggregate Collateral Balance that is comprised of Non-Euro Obligations may increase or decrease over the life of the Notes within the limits set by the Portfolio Profile Tests. Although the Issuer intends to hedge against certain currency exposures pursuant to the Asset Swap Transactions, fluctuations in the Euro exchange rate for currencies in which Non-Euro Obligations are denominated may lead to the proceeds of the Collateral Debt Obligations being insufficient to pay all amounts due to the respective Classes of Noteholders or may result in a decrease in value of the Collateral for the purposes of sale hereof upon enforcement of the security over it. As at the Issue Date, the Issuer has entered into Asset Swap Transactions in respect of a portion of the Portfolio.

The Issuer's ongoing payment obligations under the Asset Swap Transactions (including 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 Non-Euro Obligations and the Notes. This may cause losses. The Portfolio Manager may be limited at the time of reinvestment in its choice of Collateral Debt Obligations because of the cost of the foreign exchange hedging and due to restrictions in the Portfolio Management Agreement with respect to exercising such hedging. In addition, it may not be economically advantageous or feasible for the Issuer to exercise its hedging arrangements and such hedging arrangements may not be sufficient to protect the Issuer from fluctuations in Euro exchange rates.

The Issuer will depend upon the Asset Swap Counterparty to perform its obligations under any hedges. If the Asset Swap Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from the Asset Swap Counterparty to cover its foreign exchange exposure.

The Principal Balance of any Non-Euro Obligation shall be, to the extent the related Asset Swap Transaction terminates, subject to varying levels of haircuts in accordance with the definition of "Principal Balance" set out in the Conditions.

3.22 Rising interest rates may render some Obligor unable to pay interest on their Collateral Debt Obligations

Most of the Collateral Debt Obligations bear interest at floating interest rates. To the extent interest rates increase, periodic interest obligations owed by the related Obligor will also increase. As prevailing interest rates increase, some Obligor may not be able to make the increased interest payments on Collateral Debt Obligations or refinance their balloon and bullet Collateral Debt Obligations, resulting in payment defaults, Defaulted Obligations and an inability of the Issuer to make payment on some or all Classes of Notes. Conversely if interest rates decline, Obligor may refinance their Collateral Debt Obligations at lower interest rates which could shorten the average life of the Notes.

3.23 Balloon obligations and bullet obligations present refinancing risk

The Portfolio will primarily consist of Collateral Debt Obligations that are either balloon obligations or bullet obligations. Balloon obligations and bullet obligations involve a greater degree of risk than other

types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the Obligor to make a large final payment upon the maturity of the Collateral Debt Obligation. The ability of such Obligor to make this final payment upon the maturity of the Collateral Debt Obligation typically depends upon its ability either to refinance the Collateral Debt Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Debt Obligation at maturity. The ability of any Obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such Obligor, the financial condition of such Obligor, the marketability of the collateral (if any) securing such Collateral Debt Obligation, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such Obligor may not have the ability to repay the Collateral Debt Obligation at maturity, and the Issuer could lose all or most of the principal of the Collateral Debt Obligation. Given their relative size and limited resources and access to capital, some Obligors may have difficulty in repaying or refinancing their balloon and bullet Collateral Debt Obligation on a timely basis or at all.

3.24 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 interpretative guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Lending Activities in such jurisdictions.

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

Collateral Debt Obligations may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of Obligors and, if different, in which the Obligors conduct business and in which they hold the assets, which may adversely affect such Obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each Obligor is located or domiciled 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 Debt 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 different types of Collateral Debt Obligations entered into by Obligors in such jurisdictions. No reliable historical data is available.

3.25 UK Taxation of the Issuer

In the context of the activities to be carried out under the Transaction Documents, the Issuer will be subject to UK corporation tax if it is (i) tax resident in the UK or (ii) carries on a trade in the UK through a permanent establishment.

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

The Issuer will be regarded as having a permanent establishment in the UK if it has a fixed place of business in the UK or it has an agent in the UK who has and habitually exercises authority in the UK to

do business on the Issuer's behalf. The Issuer does not intend to have a place of business in the UK. The Portfolio Manager will, however, have and is expected to exercise authority to do business on behalf of the Issuer.

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

Even if the Issuer is regarded as carrying on a trade in the UK through the agency of the Portfolio Manager for the purposes of UK taxation, it will not be subject to UK corporation tax if the domestic UK tax exemption (the "**Investment Manager Exemption**") for profits generated in the UK by an investment manager on behalf of its non-resident clients (section 1146 of the UK's Corporation Tax Act 2010) applies. It should be noted that the Investment Manager Exemption may not be available in the context of this transaction if the Portfolio Manager (or certain connected entities) holds more than 20 per cent. of the Subordinated Notes. However, if the Investment Manager Exemption is not available, the Issuer may nonetheless be able to rely on Article 8(1) of the UK-Ireland tax treaty to exclude a charge to UK corporation tax or income tax on its profits resulting from the agency of the Portfolio Manager provided the Portfolio Manager is regarded as an independent agent acting in the ordinary course of its business for the purposes of Article 5(6) of the UK-Ireland tax treaty. If UK tax is imposed on the net income or profits of the Issuer, this may trigger a Collateral Tax Event and result in an optional redemption of the Notes.

Should the Portfolio Manager be assessed to UK tax on behalf of the Issuer, it may be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date under the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Portfolio Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay such amounts in accordance with the Priorities of Payment, as applicable, as 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, such payment to be made in accordance with the Priorities of Payment.

3.26 Diverted Profits Tax

The Finance Act 2015 introduced a new tax in the United Kingdom called the "diverted profits tax" which is charged at 25 per cent. of any "taxable diverted profits". The diverted profits tax has effect from 1 April 2015 and may apply in circumstances including where arrangements are designed to ensure that a non-UK resident company does not carry on a trade in the United Kingdom for corporation tax purposes through a permanent establishment.

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

Should the Portfolio Manager be assessed to diverted profits tax, it will in certain circumstances be entitled to an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer as specified in the Priorities of Payment, as applicable. It should be noted that H.M. Revenue & Customs may be entitled to seek to assess the Issuer to any diverted profits tax due directly rather than through the Portfolio Manager as its UK representative. Should the Issuer be assessed directly on this basis, the Issuer will be liable to pay such amounts in accordance with Interest Proceeds Priorities of Payment, the Priorities of Payment, as applicable.

If United Kingdom diverted profits tax were to be imposed upon the Issuer or upon the Portfolio Manager (in its capacity as UK tax representative of the Issuer), then in certain circumstances the Notes may be redeemed (in whole but not in part) at the option of the Subordinated Noteholders acting by

Ordinary Resolution. See See Condition 7(b)(i)(B) (*Optional Redemption in Whole - Subordinated Noteholders*).

4. The Issuer is subject to risks, including the location of its COMI, claims of preferred creditors and floating charges.

Centre of main interests

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interests (as the term is referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) ("**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, is registered for tax in Ireland, has an Irish corporate services provider and currently has Irish Directors, 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.

Preferred creditors under Irish law and floating charges

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

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

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

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

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

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

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

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

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

Examinership

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

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

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

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

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

- (b) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Notes or the Transaction Documents.

5. Relating to certain conflicts of interest

In general, the transaction described in this Prospectus will involve various potential and actual conflicts of interest.

Various potential and actual conflicts of interest may arise from the overall investment activity of the Portfolio Manager, its clients and its Affiliates, the Rating Agencies, the Placement Agent and their respective Affiliates. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

5.1 Portfolio Manager

General

The Issuer is a special purpose vehicle and, other than in respect of the Original Notes, has no operating history or performance record of its own. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Portfolio Manager.

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

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

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

The performance of other collateralised debt obligation vehicles ("**CLO Vehicles**"), other similar investment funds ("**Other Funds**") or accounts managed or advised by the Portfolio Manager or Affiliates of the Portfolio Manager should not be relied upon as an indication or prediction of the performance or investment returns of the Issuer. Such other CLO Vehicles, Other Funds or accounts may have significantly different characteristics, including but not limited to their structures, composition of the collateral pool, investment objectives, strategies, leverage, financing costs, fees and expenses, management personnel and other terms, including by reason of the diversity and other parameters required by the Portfolio Management Agreement when compared to the Issuer and may have been formed and managed under significantly different market conditions than those which apply

to the Issuer and its Portfolio. There can be no assurance that the Issuer's investments will perform as well as the past investments for any such accounts.

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

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

Additional considerations

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

The loss by the Portfolio Manager of a number of key individuals could have a material adverse effect on the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement.

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

5.2 Certain conflicts of interest regarding Portfolio Manager

Various potential and actual conflicts of interest may arise from the overall management, advisory, investment and other activities of the Portfolio Manager, its Affiliates and their respective clients. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. In addition, conflicts of interest may arise in connection with the exercise by the Portfolio Manager of its powers and discretions under the Portfolio Management Agreement and its undertakings as Retention Holder under the Risk Retention Letter.

Portfolio Manager

The Portfolio Manager and/or its Affiliates and its clients may invest in collateral that would be appropriate as security for the Notes. Such investments may be different from those made on behalf of the Issuer. The Portfolio Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the Notes and may own equity or debt securities issued by issuers of, and other obligors of, Collateral Debt Obligations. As a result, individuals or Affiliates of the Portfolio Manager may possess information relating to issuers of Collateral Debt Obligations which is not known to the individuals at the Portfolio Manager responsible for monitoring the Collateral Debt Obligations and performing the other obligations under the Portfolio Management Agreement. In addition, Affiliates and clients of the Portfolio Manager may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Debt Obligations that are pledged to secure the Notes. The Portfolio

Manager and/or its Affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its or their own account, for the Issuer, for any similar entity for which it serves as manager or adviser and for its clients or Affiliates. It is intended that all Collateral Debt Obligations will be purchased and sold by the Issuer on terms prevailing in the market. The Portfolio Manager may effect any transaction with or for the Issuer in which the Portfolio Manager has a relationship with another person which may involve or conflict with the Portfolio Manager's duty to the Issuer. Neither the Portfolio Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they have become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction. Furthermore, the Portfolio Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Issuer. The Portfolio Manager and/or its Affiliates have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Portfolio Manager and/or its Affiliates manage or advise. Furthermore, Affiliates of the Portfolio Manager may make an investment on their own behalf without offering the investment opportunity to, or the Portfolio Manager making any investment on behalf of, the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Portfolio Manager are obliged to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Portfolio Manager offering those investments to the Issuer. Affiliates of the Portfolio Manager have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before engaging in any investments for themselves. The Portfolio Manager will endeavour to resolve conflicts with respect to investment opportunities arising therefrom in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law. Although the professional staff of the Portfolio Manager will devote as much time to the Issuer as the Portfolio Manager deems appropriate to perform its duties in accordance with the Portfolio Management Agreement, those staff may have conflicts in allocating their time and services among the Issuer and the Portfolio Manager's other accounts.

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

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

The Portfolio Manager shall act as Retention Holder and has subscribed for Subordinated Notes having a Principal Amount Outstanding (as of the Original Issue Date) equal to no less than 5 per cent. of the Aggregate Collateral Balance (as at the Original Issue Date). From and including the Issue Date, the Retention Holder will undertake to continue to hold (either directly or indirectly) and retain, on an ongoing basis for so long as a Class of Notes remains Outstanding, Subordinated Notes with a Principal Amount Outstanding (as of the Issue Date) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder on the Original Issue Date equal to not less than 5 per cent. of the Aggregate Collateral Balance (as of the Issue Date), with the intention of complying with the EU Retention Requirements. There is no restriction on the ability of the Portfolio Manager, an Affiliate of the Portfolio Manager or the employees of the Portfolio Manager (the "**Portfolio Manager Parties**") to acquire additional Subordinated Notes or any Notes of any Class at any time. It is possible that one or more Portfolio Manager Parties may acquire Subordinated Notes in addition to those held by the Retention Holder. The interests and incentives of a Portfolio Manager Party that is a Subordinated Noteholder may conflict with or be adverse to the interests and incentives of the holders of other Classes of Notes or the other Subordinated Noteholders.

In addition, no termination or resignation of the Portfolio Manager shall be effective unless and until the Issuer has appointed a replacement Portfolio Manager who has agreed to assume all the duties and obligations arising out of the Portfolio Management Agreement and the Trust Deed, in accordance with the terms and conditions of the Portfolio Management Agreement (except in circumstances where it has become illegal for the Portfolio Manager to carry on its duties under the Portfolio Management Agreement) and, amongst other things, Rating Agency Confirmation has been received in respect thereof and such appointment has not been rejected by the Noteholders of the Controlling Class acting by Ordinary Resolution or, if the Controlling Class is comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or entirely by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, within 30 days of such appointment, see "*Description of the Portfolio Management Agreement*". Any Notes held (i) in the form of PM Non-Voting Exchangeable Notes and PM Non-Voting Notes and (ii) by or on behalf of a Portfolio Manager or a Portfolio Manager Related Person, will have no voting rights with respect to any vote (or written direction or consent) in connection with a PM Removal Resolution or a PM Replacement Resolution and will be deemed not to be Outstanding in connection with any such vote, provided, however, that any Notes held (i) in the form of PM Non-Voting Exchangeable Notes and PM Non-Voting Notes and (ii) by or on behalf of a Portfolio Manager or a Portfolio Manager Related Person, will, save as otherwise expressly provided, have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders of PM Voting Notes are entitled to vote. In addition, where the consent of the holders of the Notes is sought with respect to the delegation of the duties by the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement, any Notes held by (but not on behalf of) the Portfolio Manager or a Portfolio Manager Related Person shall be excluded. See "*Description of the Portfolio Management Agreement*".

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

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

The Portfolio Manager has agreed with certain parties that they are entitled to receive certain fees or other payments (payable by reference to certain of the Portfolio Management Fees) from the Portfolio Manager during the term of the transaction. Such fees or other payments may affect the incentives of those parties and of the Portfolio Manager in managing the Collateral Debt Obligations.

5.3 The Issuer will be subject to certain conflicts of interest involving the Rating Agencies

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

5.4 The Issuer will be subject to various conflicts of interest involving the Placement Agent

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by JPMorgan Chase & Co. and its Affiliates (including the Placement Agent, JPMorgan Chase Bank, National Association and its Affiliates (together, the "**J.P. Morgan Companies**") to the Issuer, the Trustee, the Portfolio Manager, the issuers of the Collateral Debt Obligations and other assets comprised in the Portfolio, as well as in connection with the investment, trading and brokerage activities of the J.P. Morgan Companies. The following briefly summarises some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

J.P. Morgan Securities plc will serve as Placement Agent to the Issuer and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Notes (other than the Retention Notes). The Placement Agent may, on behalf of the Issuer, place the Refinancing Notes at prices as may be negotiated at the time of sale and which may vary among different purchasers and which may be different to the issue price of the Refinancing Notes. One or more other J.P. Morgan Companies and one or more accounts or funds managed by a J.P. Morgan Company may from time to time hold Notes (the "**J.P. Morgan Holders**"). Without limitation to the foregoing, J.P. Morgan Holders may purchase certain unsold Notes and such purchases may be at prices which may be higher or lower than the prices at which such Notes were sold to other investors. No J.P. Morgan Holder will be required to retain any Notes acquired by it and a J.P. Morgan Holder may realise a gain in the secondary market by selling Notes purchased by it. J.P. Morgan Holders will be able to influence the voting of Classes of Notes which they hold, and thereby have an effect on certain aspects of the transaction generally. To the extent that one or more J.P. Morgan Holders hold sufficient Notes of the Controlling Class to exercise Ordinary Resolutions or Extraordinary Resolutions (as applicable), they will be able to exercise their influence to determine whether the Notes are accelerated during the occurrence and continuance of certain Events of Default and what remedies should be taken against the Issuer or the Collateral Debt Obligations. The interests of the J.P. Morgan Holders may not coincide with those of the other Noteholders at all times. Any J.P. Morgan Holder in its capacity as a Noteholder may act in its own commercial interest and need not consider whether its actions will have an adverse effect on the Issuer or the other holders. The J.P. Morgan Holders will have no responsibility for or obligation in respect of the Issuer and will have no obligation to own Notes on or after the Issue Date, or to retain Notes for any length of time.

The J.P. Morgan Companies will not be limited in their activities relating to buying, holding or selling Notes or obligations constituting, or which may constitute, part of the Collateral Debt Obligations. Without limitation of the foregoing, at any time, one or more J.P. Morgan Companies may have a long or short position in, or enter into a hedge or derivative position relating to, any obligation constituting part of the Collateral Debt Obligations or any Class of Notes.

No J.P. Morgan Company has done, and no J.P. Morgan Company will do, any analysis of the Collateral Debt Obligations acquired or sold by the Issuer for the benefit of, or in a manner designed to further the interests of, any Noteholder.

The J.P. Morgan Companies are significant participants in the leveraged loan and high yield bond markets. The Issuer has purchased and sold prior to the Issue Date, and it is likely that the Issuer will purchase or sell after the Issue Date, Collateral Debt Obligations from, to or through one or more of the J.P. Morgan Companies (and such purchases or sales may relate to a significant portion of the Collateral Debt Obligations and may be at prices that differ from the market values of the relevant Collateral Debt Obligations at the time of purchase) and will also have purchased or sold, or will purchase or sell (as applicable) Collateral Debt Obligations with respect to which a J.P. Morgan Company acted as underwriter, arranger, lender or administrative agent or in a similar capacity as further described below (and such Collateral Debt Obligations may constitute a significant portion of the Portfolio).

Certain Eligible Investments may be issued, managed or underwritten by one or more of the J.P. Morgan Companies. One or more of the J.P. Morgan Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Portfolio Manager, its Affiliates, and funds managed by the Portfolio Manager and its Affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Portfolio Manager, its Affiliates, and funds managed by the Portfolio Manager and its Affiliates. As a result of such transactions or arrangements, one or more of the J.P. Morgan Companies may have interests adverse to those of the Issuer and the Noteholders. The J.P. Morgan Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the J.P. Morgan Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

One or more of the J.P. Morgan Companies may:

- have placed or underwritten, or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Collateral Debt Obligations;
- act as trustee, facility agent, paying agent and in other capacities in connection with certain of the Collateral Debt Obligations or other classes of securities issued by an issuer of a Collateral Debt Obligation or an Affiliate thereof;
- be a counterparty to issuers of certain of the Collateral Debt Obligations under swap or other derivative agreements;
- be a Hedge Counterparty under a Hedge Agreement with the Issuer;
- sell Collateral Debt Obligations to the Issuer, including Collateral Debt Obligations in respect of which the J.P. Morgan Companies act as underwriter, arranger, lender, obligor or administrative agent;
- be a Selling Institution with respect to a Participation;
- lend to certain of the issuers of Collateral Debt Obligations or their respective Affiliates or receive guarantees from the issuers of those Collateral Debt Obligations or their respective Affiliates;
- provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of Collateral Debt Obligations or their respective Affiliates;
- have an equity interest, which may be a substantial equity interest, in certain Obligors of the Collateral Debt Obligations or their respective Affiliates; or
- may currently hold an interest in Subordinated Notes of the Issuer.

When acting as a trustee, facility agent, paying agent or in other service capacities with respect to a Collateral Debt Obligation, the J.P. Morgan Companies will be entitled to fees and expenses senior in priority to payments to such Collateral Debt Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Debt Obligation or an Affiliate thereof, the J.P. Morgan Companies will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the Collateral Debt Obligation is a part, and may take actions that are adverse to the holders (including the Issuer) of the class of securities of which the Collateral Debt Obligation is a part. As a counterparty under swaps and other derivative agreements (including without limitation, under a Hedge Agreement), the J.P. Morgan Companies might take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, the J.P. Morgan Companies might take actions including, but

not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the Obligor in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's purchase, holding and sale of Collateral Debt Obligations may enhance the profitability or value of investments made by the J.P. Morgan Companies in the issuers thereof. As a result of all such transactions or arrangements between the J.P. Morgan Companies and issuers of Collateral Debt Obligations or their respective Affiliates, the J.P. Morgan Companies may have interests that are contrary to the interests of the Issuer and the Noteholders. Further, additional J.P. Morgan Companies may subsequently become Hedge Counterparties. The interests of such entities as a Hedge Counterparty may not coincide with those of Noteholders at all times. Such entities, in their capacities as Hedge Counterparties, may act in their own commercial interest and need not consider whether their actions will have an adverse effect on the Issuer or the Noteholders (including, without limitation, if a J.P. Morgan Company as a Hedge Counterparty chooses not to exercise its prior written consent pursuant to Condition 14(c) (*Modification and Waiver*)).

As part of their regular business, the J.P. Morgan Companies may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The J.P. Morgan Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the J.P. Morgan Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

The J.P. Morgan Companies may, by virtue of the relationships described above or otherwise, at the date hereof or at any time hereafter, be in possession of information regarding certain of the issuers of Collateral Debt Obligations and their respective Affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. None of the J.P. Morgan Companies has any obligation, and the offering of the Notes will not create any obligation on their part, to disclose to any purchaser of the Notes any such relationship or information, whether or not confidential.

6. Not a Bank Deposit

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

TERMS AND CONDITIONS OF THE NOTES

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

On 12 September 2013 (the "**Original Issue Date**") the Issuer issued €177,000,000 Class A Secured Floating Rate Notes due 2025 (the "**Original Class A Notes**"), €34,000,000 Class B Secured Floating Rate Notes due 2025 (the "**Original Class B Notes**"), €20,000,000 Class C Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class C Notes**"), €13,600,000 Class D Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class D Notes**"), €23,000,000 Class E Secured Deferrable Floating Rate Notes due 2025 (the "**Original Class E Notes**" and, together with the Original Class A Notes, the Original Class B Notes, the Original Class C Notes, and the Original Class D Notes, the "**Refinanced Notes**"). The Refinanced Notes will be refinanced in whole on 12 April 2017 (the "**Issue Date**"). On the Original Issue Date, the Issuer also issued €42,000,000 Subordinated Notes due 2025 (which, as of the Issue Date, will become due in 2031 instead) (the "**Subordinated Notes**").

The issue of €2,000,000 Class X-R Senior Secured Floating Rate Notes due 2031 (the "**Class X-R Notes**"), €174,900,000 Class A-R Senior Secured Floating Rate Notes due 2031 (the "**Class A-R Notes**"), €39,200,000 Class B-R Senior Secured Floating Rate Notes due 2031 (the "**Class B-R Notes**"), €21,000,000 Class C-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class C-R Notes**"), €14,600,000 Class D-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class D-R Notes**"), €18,600,000 Class E-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class E-R Notes**") and €9,400,000 Class F-R Senior Secured Deferrable Floating Rate Notes due 2031 (the "**Class F-R Notes**") (the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes together, the "**Rated Notes**" or the "**Refinancing Notes**") by Harvest CLO VII Designated Activity Company (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated 8 March 2017. The issue of the Subordinated Notes (the Subordinated Notes and the Rated Notes, together the "**Notes**") by the Issuer was authorised by a resolution of the board of Directors of the Issuer dated 5 September 2013.

The Notes are constituted by a trust deed (together with all other security documents or agreements entered into from time to time by the Issuer (including the Euroclear Pledge Agreement) in order to grant security over any of the Collateral to the Trustee, the "**Trust Deed**") dated 12 September 2013 as supplemented on or about the Issue Date between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee for the Noteholders and security trustee for the Secured Parties (the "**Trustee**", which expression shall include all persons for the time being the trustee under the Trust Deed).

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (which include the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) a placement agency agreement dated on or about the Issue Date (the "**Placement Agency Agreement**") between the Issuer and the Placement Agent; (b) an agency agreement dated 12 September 2013, as amended and restated on the Issue Date (the "**Agency Agreement**") between (among others), the Issuer, U.S. Bank National Association as registrar and transfer agent (the "**Registrar**" and the "**Transfer Agent**", which terms shall include any successor or substitute registrar or transfer agent appointed pursuant to the terms of the Agency Agreement), Elavon Financial Services DAC as principal paying agent, account bank, calculation agent, and custodian (respectively, the "**Principal Paying Agent**", the "**Account Bank**", the "**Calculation Agent**" and the "**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 Agreement) and the Trustee; (c) a portfolio management agreement dated 12 September 2013, as amended and restated on the Issue Date (the "**Portfolio Management Agreement**") between (among others), Investcorp Credit Management EU Limited as portfolio manager in respect of the Portfolio (the "**Portfolio Manager**" which term shall include any successor or substitute portfolio manager appointed pursuant to the terms of the Portfolio Management Agreement), the Issuer, Elavon Financial Services DAC as collateral administrator and information agent (respectively the "**Collateral Administrator**

and the **"Information Agent"** which terms shall include any successor collateral administrator and information agent appointed pursuant to the terms of the Portfolio Management Agreement) and the Trustee; (d) the Initial Hedge Agreements entered into on or about the Original Issue Date; and (e) an issuer corporate services agreement between the Issuer and the Issuer Corporate Services Provider entered into on or about the Original Issue Date (the **"Issuer Corporate Services Agreement"**). Copies of the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, each Hedge Agreement and the Issuer Corporate Services Agreement are available for inspection during usual business hours at the principal office of the Issuer (presently at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland) and at the specified offices of the Principal Paying Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement and the Portfolio Management Agreement applicable to them.

1. Definitions

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

"AIFMD" means European Union Commission Delegated Regulation (EU) No 231/2013 (the **"AIFM Regulation"**) as amended from time to time and EU Directive 2011/61/EU on Alternative Investment Fund Managers (as amended from time to time and as implemented by Member States of the European Union) together with any implemented or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

"AIFMD Retention Requirements" means Article 17 of the AIFMD, as implemented by Section 5 of the AIFM Regulation, including any guidance published in relation thereto and any implementing laws or regulations in force in any member state of the European Union, provided that references to AIFMD Retention Requirements shall be deemed to include any successor or replacement provisions of Section 5 of the AIFM Regulation included in any European Union directive or regulation subsequent to AIFMD.

"Accrual Period" means, in respect of each Class of Notes, the period from and including the Issue Date to, but excluding, the first Payment Date and each successive period from and including the prior Payment Date to, but excluding, the current Payment Date.

"Additional Reinvestment Test" means the test which will apply as of any Measurement Date during the Reinvestment Period which will be satisfied on such Measurement Date if the Class F-R Par Value Ratio is at least 104.53 per cent.

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

"Administrative Expenses" means amounts due and payable by the Issuer in the following order of priority including, other than where expressly set out below, any amounts in respect of VAT payable to that party or any amounts in respect of VAT required to be accounted for to the relevant taxing authority under a reverse charge mechanism:

- (a) on a *pro-rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency Agreement and in the case of the Collateral Administrator the Portfolio Management Agreement including amounts due and payable by way of indemnity; (ii) the Issuer Corporate Services Provider under the Issuer Corporate Services Agreement; (iii) the directors of the Issuer in respect of their fees and expenses and (iv) any advisors appointed by them, if any (including, but not limited to, tax adviser fees, costs of tax compliance, legal fees, auditors' fees, anticipated winding-up costs of the Issuer and company secretarial expenses);
- (b) to the STS Designated Person pursuant to the Portfolio Management Agreement including amounts due and payable by way of indemnity;

- (c) each Reporting Delegate pursuant to any Reporting Delegation Agreement including amounts due and payable by way of indemnity;
- (d) on a *pro-rata and pari passu* basis:
 - (i) to any Rating Agency which may from time to time be requested to assign (i) a rating to each of the Rated Notes, or (ii) a confidential credit estimate to any of the Collateral Debt Obligations, for fees and expenses (including surveillance fees) in connection with any such rating or confidential credit estimate including, in each case, the ongoing monitoring thereof and any other amounts due and payable to any Rating Agency under the terms of the Issuer's engagement with such Rating Agency;
 - (ii) to the Portfolio Manager pursuant to the Portfolio Management Agreement (including indemnities provided for therein), but excluding any Portfolio Management Fees or any VAT payable thereon and excluding any amounts in respect of Portfolio Manager Advances;
 - (iii) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes) or any statutory indemnity;
 - (iv) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;
 - (v) to any other Person in respect of any other fees or expenses contemplated in the Conditions of the Notes and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes, including, without limitation, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for the purposes of Noteholder tax jurisdictions;
 - (vi) to the payment of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Debt Obligation, including but not limited to a steering committee relating thereto;
 - (vii) to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);
 - (viii) to third parties in respect of amounts which are payable by the Issuer to such third parties under obligations incurred in the ordinary course of the Issuer's business and which are not provided for payment elsewhere under Condition 3(c)(i) (*Application of Interest Proceeds*);
 - (ix) any Person in connection with satisfying the requirements of Rule 17g-5 of the Exchange Act;
 - (x) to any other Person in connection with satisfying the requirements of EMIR, the CRA, the AIFMD and/or the United States Commodity Exchange Act of 1936 (in each case, as may be amended, replaced or supplemented from time to time, including rules and regulations promulgated thereunder);
 - (xi) to any other Person (including the Portfolio Manager) in respect of taking any Retention Cure Action;
 - (xii) to any other Person in connection with complying with FATCA and complying with any other applicable international automatic exchange of tax information regime; and
 - (xiii) to the Placement Agent pursuant to the Placement Agency Agreement in respect of any amount payable to it thereunder;

- (e) on a *pro rata* basis any Refinancing Costs to the extent not paid under paragraph (a) above; and
- (f) on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents to the extent not paid under paragraph (a) above,

provided that:

- (x) the Portfolio Manager may direct the payment of any Rating Agency fees set out in (d)(i) above other than in the order required by paragraph (d) above if the Portfolio Manager, Trustee or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes; and
- (y) the Portfolio Manager, in its reasonable judgement, may direct a payment to be made other than in the order required by paragraph (d) above if required to ensure the delivery of certain accounting services and reports, or if in the reasonable judgement of the Portfolio Manager, such payment is otherwise required to be made in the interests of the Issuer's business.

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

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

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

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

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

- (a) the Aggregate Principal Balance of all Collateral Debt Obligations, save that for the purpose of calculating the Aggregate Principal Balance for the purposes of:
 - (i) for the purposes of:
 - (A) the Portfolio Profile Tests and the Collateral Quality Tests (other than the S&P CDO Monitor Test); and
 - (B) determining whether a Note Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Debt Obligations*),
 the Principal Balance of each Defaulted Obligation shall be excluded;
 - (ii) for the purposes of calculating the CCC Excess, the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value;

- (b) the Balances standing to the credit of the Principal Account (to the extent such amounts represent Principal Proceeds) and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments); and
- (c) solely for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements, including whether a Retention Deficiency has occurred, the Principal Balance of any Exchanged Security or any other obligation which does not constitute a Collateral Debt Obligation (other than any Collateral Enhancement Obligation) shall be:
 - (i) in the case of a debt obligation or security, the principal amount outstanding of such obligation;
 - (ii) in the case of an equity security received upon a "debt for equity swap" in relation to a restructuring, the principal amount outstanding of the debt which was swapped for the equity security; and
 - (iii) in the case of any other equity security, the nominal value thereof as reasonably determined by the Portfolio Manager.

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

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

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

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

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

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

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

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

"Asset Swap Agreement" means each 1992 Master Agreement (Multicurrency-Cross Border) or 2002 Master Agreement published by the International Swaps and Derivatives Association (as applicable) (including any confirmations evidencing the transactions thereunder and any annexes or schedules thereto) between the Issuer and an Asset Swap Counterparty in connection with Non-Euro Obligations

under which the Issuer swaps cash flows receivable on such Non-Euro Obligations for Euro denominated cash flows from the Asset Swap Counterparty, as the same may be supplemented, amended or replaced from time to time and including any Replacement Asset Swap Agreement entered into in replacement thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) current balance of cash, demand deposits, time deposits, government-guaranteed funds and other investment funds;
- (b) outstanding principal amount of interest-bearing corporate and government obligations and money market accounts and repurchase obligations; and
- (c) purchase price, up to an amount not exceeding the face amount, of non interest-bearing government and corporate obligations, commercial paper and certificates of deposit,

provided that amounts standing to the credit of the Non-Euro Account and any balance which is denominated in a currency other than Euro shall be converted into Euro at the Applicable Exchange Rate and (z) save in the case of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements or in determining whether a Retention Deficiency has occurred, if a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment, such Eligible Investment shall have a value equal to the lesser of its S&P Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Debt Obligation).

"Benefit Plan Investor" means:

- (a) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of part 4 of Subtitle B of Title I of ERISA;
- (b) a plan to which Section 4975 of the Code applies; or
- (c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity.

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

- (a) on which TARGET2 is open for settlement of payments in Euro;
- (b) on which commercial banks and foreign exchange markets settle payments in London and New York (other than a Saturday or a Sunday); and
- (c) for the purposes of the definition of Presentation Date, in relation to any place, on which commercial banks and foreign exchange markets settle payments in that place.

"CCC Excess" means, in respect of any date of determination, the amount equal to the greater of:

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

provided that in determining which of the Fitch CCC Obligations or S&P CCC Obligations, as applicable, shall be included under part (a) or (b) above, the Fitch CCC Obligations or S&P CCC

Obligations, as applicable, with the lowest Market Values shall be deemed to constitute the CCC Excess.

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

- (a) the Aggregate Principal Balance of all Collateral Debt Obligations included in the CCC Excess; minus
- (b) the sum of the products of (i) the Market Value and (ii) the Principal Balance in respect of each Collateral Debt Obligation included in the CCC Excess.

"CFTC" means the Commodity Futures Trading Commission.

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

"Class A-R Noteholders" means the holders of the Class A-R Notes from time to time.

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

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

"Class A-R/B-R Interest Coverage Test" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the first Payment Date and which will be satisfied on such Measurement Date, if the Class A-R/B-R Interest Coverage Ratio is at least 120.00 per cent.

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

"Class A-R/B-R Par Value Test" means the test which will apply as of any Measurement Date and which will be satisfied on such Measurement Date, if the Class A-R/B-R Par Value Ratio is at least 131.12 per cent.

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

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

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

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

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

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

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

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

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

"Class C-R Interest Coverage Test" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the first Payment Date and which will be satisfied on such Measurement Date, if the Class C-R Interest Coverage Ratio is at least 110.00 per cent.

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

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

"Class C-R Par Value Test" means the test which will apply as of any Measurement Date and which will be satisfied on such Measurement Date, if the Class C-R Par Value Ratio is at least 120.41 per cent.

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

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

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

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

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

"Class D-R Interest Coverage Test" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the first Payment Date and which will be satisfied on such Measurement Date, if the Class D-R Interest Coverage Ratio is at least 105.00 per cent.

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

"Class D-R Par Value Ratio" means, as of any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Value Test Adjusted Principal Amount by (b) the sum of

the Principal Amount Outstanding of each of the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes.

"Class D-R Par Value Test" means the test which will apply as of any Measurement Date and which will be satisfied on such Measurement Date, if the Class D-R Par Value Ratio is at least 114.14 per cent.

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

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

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

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

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

"Class E-R Interest Coverage Test" means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the first Payment Date and which will be satisfied as such Measurement Date, if the Class E-R Interest Coverage Ratio is at least 101.00 per cent.

"Class E-R Par Value Ratio" means, as of any Measurement Date, the ratio (expressed as a percentage) obtained by dividing (a) the Par Value Test Adjusted Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Rated Notes.

"Class E-R Par Value Test" means the test which will apply as of any Measurement Date and which will be satisfied on such Measurement Date, if the Class E-R Par Value Ratio is at least 106.82 per cent.

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

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

"Class F-R 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 F-R Par Value Ratio is at least 104.03 per cent.

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

- (a) the Class X-R Notes;
- (b) the Class A-R Notes;
- (c) the Class B-R Notes;
- (d) the Class C-R Notes;
- (e) the Class D-R Notes;

- (f) the Class E-R Notes;
- (g) the Class F-R Notes; and
- (h) the Subordinated Notes,

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

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

"**Class X-R Principal Amortisation Amount**" means, for each Payment Date beginning on (and including) the first Payment Date immediately following the Issue Date, the lesser of (i) the Principal Amount Outstanding of the Class X-R Notes; and (ii)(a) in respect of each such Payment Date prior to the occurrence of a Frequency Switch Event, €500,000 and (b) in respect of each such Payment Date following the occurrence of a Frequency Switch Event, €1,000,000.

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

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

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

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

"**Collateral Acquisition Agreements**" means each agreement entered into by the Issuer in relation to the purchase by the Issuer of Collateral Debt Obligations from time to time (for the avoidance of doubt including the Original Issue Date Sale and Purchase Agreement).

"**Collateral Debt Obligation**" means any debt obligation or debt security purchased or acquired by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) in accordance with the provisions of the Portfolio Management Agreement, each of which satisfies the Eligibility Criteria or, where the context so requires, contemplated to be purchased for inclusion in the Portfolio from time to time which at the time of entering into a binding commitment to acquire such Collateral Debt Obligation satisfies the Eligibility Criteria. References to Collateral Debt Obligations shall not include Collateral Enhancement Obligations, Eligible Investments, or Exchanged Securities. Obligations which are to constitute Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled, unless otherwise specified, shall be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Additional Reinvestment Test at any time as if such purchase had been completed. Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell but which have not yet settled, unless otherwise specified, shall be excluded as Collateral Debt Obligations in the calculation of the Aggregate Collateral Balance and in the calculation of Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Additional Reinvestment Test (in accordance with the Portfolio Management Agreement) and all other tests and criteria applicable to the Portfolio at any time as if such sale had been completed. For the avoidance of doubt, the failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Portfolio Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation; provided that an Original Issue Date Collateral Debt Obligation must have also satisfied the Eligibility Criteria on the Original Issue Date. A Collateral Debt Obligation which

has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor) shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation.

"Collateral Enhancement Account" means an account in the name of the Issuer, held with the Account Bank, the amounts standing to the credit of which from time to time may be applied (amongst other things), in the acquisition of Collateral Enhancement Obligations by or on behalf of the Issuer in accordance with the Portfolio Management Agreement.

"Collateral Enhancement Obligation" means any warrant or equity security, excluding Exchanged Securities, but including, without limitation, any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Debt Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Debt Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Debt Obligation), 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 which are not discharged in full out of the Collateral Enhancement Obligation Proceeds in respect thereof, other than those which may arise at the option of the Issuer.

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

"Collateral Enhancement Obligation Proceeds Priority of Payments" means the priority of payments in respect of Collateral Enhancement Obligation Proceeds as set out in Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

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

- (a) so long as any Notes rated by S&P are Outstanding:
 - (i) (until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and
 - (ii) the S&P Minimum Weighted Average Recovery Rate Test;
- (b) so long as any Notes rated by Fitch are Outstanding:
 - (i) the Fitch Maximum Weighted Average Rating Factor Test; and
 - (ii) the Fitch Minimum Weighted Average Recovery Rate Test; and
- (c) so long as any Rated Notes are Outstanding:
 - (i) the Minimum Weighted Average Spread Test; and
 - (ii) the Weighted Average Life Test,

each as defined in the Portfolio Management Agreement.

"Collateral Tax Event" means, at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or as a result of any judicial decision or interpretation or statement of any relevant tax authority, issued in either case, after the date of incorporation of the Issuer (whether proposed, temporary or final) in any jurisdiction:

- (a) interest, discount or premium payments due from the Obligor (or from Selling Institutions in the case of Participations) of any Collateral Debt Obligations in relation to any Due Period become properly subject to the imposition of withholding tax, other than where such withholding tax is compensated for by a "gross-up" provision in the terms of the Collateral Debt Obligation, or such requirement to withhold is eliminated, or any withholding can be recovered pursuant to a double taxation treaty or otherwise so that the Issuer as holder thereof

either directly or indirectly through a Participation is held completely harmless from the full amount of such withholding tax on an after-tax basis; and

- (b) the Issuer (or its representative) becomes subject to tax on its net income or profits, diverted profits tax or similar tax in the United Kingdom, the United States of America, Ireland or any other jurisdiction, or any political sub-division thereof,

so that the aggregate amount of such withholding taxes in respect of all Collateral Debt Obligations and taxes falling within paragraph (b) 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 Debt Obligations in relation to such Due Period, but in all cases only if a substitution or a relocation of the Issuer or other reasonable measures would fail to remedy the same.

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

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

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

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

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

held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by the Portfolio Manager or a Portfolio Manager Related Person,

the Class D-R Notes;

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

the Class E-R Notes;

- (f) following redemption and payment in full of the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes,

the Class F-R Notes; or

- (g) following redemption in full of all of the Rated Notes, the Subordinated Notes.

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

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

- (a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a **"Debtor"**) organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such Corporate Rescue Loan is secured by liens on the Debtor's otherwise unencumbered assets pursuant to § 364(c)(2) of the United States Bankruptcy Code; or (y) such Corporate Rescue Loan is secured by liens of equal or senior priority on property of the Debtor's estate that is otherwise subject to a lien pursuant to § 364(d) of the United States Bankruptcy Code; or (z) such Corporate Rescue Loan is secured by junior liens on the Debtor's encumbered assets and such Corporate Rescue Loan is fully secured based upon a current valuation or appraisal report; or (aa) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or
- (b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process which (i) constitutes the most senior secured obligations of the entity which is the Obligor thereof and either (ii) ranks *pari passu* in all respects with the other senior secured debt of the Obligor, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bonds) of the Obligor and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the Obligor otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

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

"Counterparty Downgrade Collateral Account" means, in respect of each Hedge Counterparty and a Hedge Agreement to which it is a party, each account of the Issuer with the Custodian into which all Counterparty Downgrade Collateral is to be deposited, in each case for the relevant Hedge Counterparty and such Hedge Agreement.

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

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

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

"Credit Impaired Obligation" means any Collateral Debt Obligation that, in the Portfolio Manager's reasonable commercial judgment, has a significant risk of declining in credit quality or price or satisfies the Credit Impaired Obligation Criteria; provided that at any time after the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Impaired Obligation for purposes of sales of Collateral Debt Obligations only if: (i) such Collateral Debt Obligation has been downgraded by any Rating Agency 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; or (ii) the Credit Impaired Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; or (iii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Debt Obligation as a Credit Impaired Obligation.

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

- (a) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed date the Issuer intends to enter into a binding commitment to sell such Collateral Debt Obligation by a percentage which is (i) in the case of Senior Secured Loans or Senior Secured Bonds, 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 Obligations, Second Lien Loans, Mezzanine Obligations or High Yield Bonds, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of the Eligible Loan Index over the same period;
- (b) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.00 per cent. more negative or at least 1.00 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 Portfolio Manager;

- (c) the price of such Collateral Debt Obligation has decreased by at least 1.00 per cent. of the price paid by the Issuer for such Collateral Debt Obligation;
- (d) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been increased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (i) 0.25 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) less than or equal to 2.00 per cent.), (ii) 0.375 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (iii) 0.50 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such increase) greater than 4.00 per cent.), due, in each case, to a deterioration in the Obligor's financial ratios or financial results; or
- (e) if such Collateral Debt Obligation has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Portfolio Manager) of the Obligor of such Collateral Debt Obligation of less than 1.00 or that is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

"**CRR**" means Regulation 2013/575/EU as may be effective from time to time together with any amendments of any successor or replacement provisions included in any European Union directive or regulation.

"**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 the Final RTS and any other 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.

"**Credit Improved Obligation**" means any Collateral Debt Obligation which, in the Portfolio Manager's opinion, acting in accordance with its Standard of Care, has significantly improved in credit quality after it was acquired by the Issuer or satisfies the Credit Improved Obligation Criteria; provided that at any time after the expiry of the Reinvestment Period, a Collateral Debt Obligation will qualify as a Credit Improved Obligation only if: (i) 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 either Rating Agency since it was acquired by the Issuer; or (ii) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Debt Obligation; or (iii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Debt Obligation as a Credit Improved Obligation.

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

- (a) if such Collateral Debt Obligation is a loan obligation, a bond or security, the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such loan obligation, bond or security would be at least 101.00 per cent. of the purchase price paid by the Issuer at the time of its acquisition;
- (b) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the price of such Collateral Debt Obligation has changed during the period from the date on which the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such Collateral Debt Obligation to the proposed 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 Eligible Loan Index over the same period;
- (c) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, the price of such obligation has changed since the date the Issuer or the Portfolio

Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by a percentage either at least 1.00 per cent. more positive or at least 1.00 per cent. less negative than the percentage change in the Eligible Bond Index over the same period, as determined by the Portfolio Manager;

- (d) if such Collateral Debt Obligation is a Floating Rate Collateral Debt Obligation, the spread over the applicable reference rate for such Collateral Debt Obligation has been decreased in accordance with the underlying Collateral Debt Obligation since the date the Issuer or the Portfolio Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (i) 0.25 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) less than or equal to 2.00 per cent), (ii) 0.375 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) greater than 2.00 per cent. but less than or equal to 4.00 per cent) or (iii) 0.50 per cent. or more (in the case of such Collateral Debt Obligation with a spread (prior to such decrease) greater than 4.00 per cent) due, in each case, to an improvement in the Obligor's financial ratios or financial results; or
- (e) it has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Portfolio Manager) of the Obligor of such Collateral Debt Obligation that is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio.

"Current Pay Obligation" means a Collateral Debt Obligation (other than a Corporate Rescue Loan) that would otherwise be a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Portfolio Manager believes acting in accordance with its Standard of Care that:

- (a) the Obligor of such Collateral Debt Obligation will continue to make scheduled payments of interest thereon and will pay the principal thereof by maturity or as otherwise contractually due;
- (b) the Market Value of such Collateral Debt Obligation is at least 80 per cent. of its current Principal Balance; and
- (c) if the Obligor is subject to bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments due thereunder.

"Custody Account" means the custody account or accounts (including any cash account relating to any securities account) established on the books of the Custodian in accordance with the provisions of the Agency Agreement to which will be credited securities comprised of Collateral Debt Obligations and Eligible Investments.

"Defaulted Asset Swap Issuer Termination Payment" means any amount payable, including any due and unpaid scheduled amounts thereunder, by the Issuer to an Asset Swap Counterparty upon early termination of any Asset Swap Transaction in respect of which the Asset Swap Counterparty was either (x) the "Defaulting Party" (as defined in the applicable Hedge Agreement) or (y) the sole "Affected Party" (as defined in the applicable Hedge Agreement) in respect of any termination event howsoever described, in each case resulting from a ratings downgrade of the Hedge Counterparty and/or its failure or inability to take any specified curative action within any specified period within the applicable Hedge Agreement, or in respect of a termination event that is a "Tax Event Upon Merger" (as defined in the applicable Hedge Agreement).

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

"Defaulted Interest Rate Hedge Issuer Termination Payment" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon early termination of any Interest Rate Hedge Agreement in respect of which the Interest Rate Hedge Counterparty was either (x) the "Defaulting Party" (as defined in the applicable Hedge Agreement) or (y) the sole "Affected Party" (as defined in the applicable Hedge Agreement) in respect of any termination event howsoever described, in each case resulting from a ratings downgrade of the Hedge Counterparty and/or its failure or inability to take any specified curative action within any specified period within the applicable Hedge Agreement.

"Defaulted Mezzanine Excess Amounts" means in respect of a Mezzanine Obligation, the greater of (i) zero and (ii) the aggregate of all amounts previously paid into the Principal Account in respect of such Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of (A) the Principal Balance of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts and (B) any Purchased Accrued Interest which, for the avoidance of doubt, has not been capitalised in the Principal Balance of such Collateral Debt Obligation.

"Defaulted Obligation" means a Collateral Debt Obligation as determined by the Portfolio Manager:

- (a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto; provided that in the case of any Collateral Debt Obligation in respect of which the Portfolio Manager has confirmed to the Trustee in writing that, to the knowledge of the Portfolio Manager, such default has resulted from non-credit related causes, such Collateral Debt Obligation shall not constitute a Defaulted Obligation for the lesser of five Business Days, seven calendar days or any grace period applicable thereto; in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;
- (b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Debt Obligation (provided that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if it is a Current Pay Obligation subject to paragraph (f) below), and except that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (b) if the Portfolio Manager has notified the Collateral Administrator, the Issuer, the Trustee and the Rating Agencies in writing of its decision not to treat the Collateral Debt Obligation as a Defaulted Obligation;
- (c) in respect of which the Portfolio Manager knows or becomes aware (based upon publicly available information) the Obligor thereunder is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable Obligor is disputing in good faith (and such default has not been cured), but only if:
 - (i) such other obligation and the Collateral Debt Obligation are full recourse, secured obligations secured by identical collateral;
 - (ii) the security interest securing the other obligation is senior to or *pari passu* with the security interest securing the Collateral Debt Obligation; and
 - (iii) the other obligation is senior to or *pari passu* with the Collateral Debt Obligation in right of payment,

except that a Collateral Debt Obligation shall not constitute a Defaulted Obligation under this paragraph (c) if the Portfolio Manager has notified the Collateral Administrator, the Issuer, the Trustee and each Rating Agency in writing of its decision not to treat the Collateral Debt Obligation as a Defaulted Obligation;
- (d) which has (i) an S&P Rating of "SD", "D", "CC" or below or (ii) a Fitch Rating of "CC" (or below) or "RD" or, in each case, had such rating immediately prior to the withdrawal of its rating by S&P or Fitch as applicable;
- (e) which the Portfolio Manager, acting on behalf of the Issuer, determines in accordance with its Standard of Care should be treated as a Defaulted Obligation;
- (f) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Principal Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 5 per cent. of the Aggregate Collateral Balance;
- (g) in respect of a Collateral Debt Obligation that is a Participation:

- (i) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;
 - (ii) the obligation which is the subject of such Participation would constitute a Defaulted Obligation if the Issuer had a direct interest therein; or
 - (iii) the Selling Institution has (A) an S&P Rating of "CC" or "SD" or below or (B) a Fitch Rating of "CC" (or below) or "RD" or in either case had such rating prior to its withdrawal; or
- (h) if the Obligor thereof offers holders of such Collateral Debt Obligation a new security, obligation or package of securities or obligations that amount to a diminished financial obligation (such as preferred or common stock, or debt with a lower coupon or par amount) of such Obligor and in the opinion of the Portfolio Manager acting in accordance with its Standard of Care, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is (i) a Restructured Obligation; and (ii) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that (i) a Collateral Debt Obligation which is a Corporate Rescue Loan shall constitute a Defaulted Obligation if such Corporate Rescue Loan satisfies this definition of Defaulted Obligation other than paragraph (b) and (h) hereof, (ii) save in the case of (f) above, a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation, and (iii) any Collateral Debt Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of Defaulted Obligation.

"Defaulted Obligation Excess Amounts" means in respect of a Defaulted Obligation, the greater of (i) zero and (ii) the aggregate of all amounts previously paid into the Principal Account in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, minus the sum of (A) the Principal Balance of such Defaulted Obligation outstanding immediately prior to receipt of such amounts and (B) any Purchased Accrued Interest which, for the avoidance of doubt, has not been capitalised in the Principal Balance of such Collateral Debt Obligation.

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

"Deferring Security" means a PIK Security that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon:

- (a) with respect to Collateral Debt Obligations that have a Fitch Rating of at least "BBB-" and an S&P Rating of at least "BBB-", for the shorter of four consecutive accrual periods or one year; and
- (b) with respect to Collateral Debt Obligations that have a Fitch Rating of "BB+" or below or an S&P Rating of "BB+" or below, for the shorter of two accrual periods or six consecutive months,

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

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

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

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

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

"Discount Obligation" means any Collateral Debt Obligation that is not a Swapped Non-Discount Obligation and that the Portfolio Manager determines:

- (c) in the case of any Floating Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price of less than 80 per cent. of the Principal Balance of such Collateral Debt Obligation; provided that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value for such Collateral Debt Obligation on each day during any period of 60 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation equals or exceeds 90 per cent. of the Principal Balance of such Collateral Debt Obligation; or
- (d) in the case of any Fixed Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price of less than 75 per cent. of the Principal Balance of such Collateral Debt Obligation; provided that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value for such Collateral Debt Obligation, on each day during any period of 60 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Debt Obligation.

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

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

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

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

"Due Period" means (as applicable):

- (a) in the case of any Payment Date which is not an Unscheduled Payment Date or a Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the seventh Business Day prior to such Payment Date;

- (b) in the case of any Payment Date which is not a Scheduled Payment Date or a Redemption Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the third Business Day prior to such Payment Date; and
- (c) in the case of any Payment Date that is the Final Distribution Date, the period commencing on and including the relevant Due Period Start Date and ending on and including the Business Day preceding the Final Distribution Date.

"Due Period Start Date" means:

- (a) in the case of the period relating to the first Payment Date, the Issue Date; and
- (b) in the case of any subsequent Due Period, the day immediately following (i) if the immediately preceding Payment Date was a Scheduled Payment Date, the seventh Business Day prior to the preceding Payment Date or, (ii) if the immediately preceding Payment Date was an Unscheduled Payment Date, the third Business Day prior to the preceding Payment Date.

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

"Eligible Bond Index" means Markit iBoxx EUR High Yield Index or any other index subject to Rating Agency Confirmation.

"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 or the Portfolio Manager or an Affiliate of any of them provides services:

- (a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, the obligations of which are fully and expressly guaranteed by a Qualifying Country in each case satisfying the Eligible Investments Minimum Rating (but excluding (i) "General Services Administration" participation certificates; (ii) "U.S. Maritime Administration guaranteed Title XI financings"; (iii) "Financing Corp. debt obligations" and (iv) "Farmers Home Administration Certificates of Beneficial Ownership);
- (b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) and subject to supervision and examination by governmental banking authorities so long as the 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 Qualifying Country, 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 Investments 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 Qualifying Country that has a credit rating of not less than the Eligible Investments 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 Investments Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 90 days (or 180 days at any time following the first Payment Date after the occurrence of a Frequency Switch Event) from their date of issuance;
- (f) offshore funds investing in the money markets rated, at all times, "AAAm" or "AAAm-G" by S&P and "AAAmf" by Fitch or if not rated by Fitch, having an equivalent rating from a third global rating agency, provided that such fund issues shares, units or participations that may be lawfully acquired in Ireland; and
- (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 Investments 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 Stated Maturity (giving effect to any applicable grace period) no later than the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes, security rated with an "r" or "t" subscript by S&P, 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 Portfolio Manager in its discretion).

"Eligible Investments Minimum Rating" means:

- (a) for so long as any Notes rated by S&P are Outstanding:
 - (i) in the case of Eligible Investments with a maturity of more than 60 days:
 - (A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from S&P; or
 - (B) a short-term senior unsecured debt or issuer credit rating of at least "A-1+" from S&P; or
 - (ii) a short term debt or issuer (as applicable) credit rating of at least "A-1" from S&P in the case of Eligible Investments with a maturity of 60 days or less;
- (b) for so long any Notes rated by Fitch are Outstanding:
 - (i) in the case of Eligible Investments with a maturity of more than 30 days:
 - (A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from Fitch; or

- (B) a short-term senior unsecured debt or issuer credit rating of at least "F1+" from Fitch; or
 - (C) such other ratings as confirmed by Fitch; and
- (ii) in the case of Eligible Investments with a maturity of 30 days or less:
 - (A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A" from Fitch; or
 - (B) a short-term senior unsecured debt or issuer credit rating of at least "F1" from Fitch; or
 - (C) such other ratings as confirmed by Fitch.

"Eligible Loan Index" means S&P European Leveraged Loan Index or any other index subject to Rating Agency Confirmation.

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

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

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

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

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

"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 ceases to have such single currency as its lawful currency (such Member State(s) being the **"Exiting State(s)"**), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining Member States and shall not include any successor currency introduced by the Exiting State(s).

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

"Euroclear Pledge Agreement" means the Belgian law pledge agreement entered into between amongst others the Issuer, the Trustee and the Custodian pursuant to the terms of the Trust Deed dated 12 September 2013.

"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.

"Excess Par Amount" means an amount, determined as of the Issue Date, equal to (i) the Par Value Test Adjusted Principal Amount, less (ii) the Target Par Amount, provided that such amount may not be less than zero.

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

"Exchanged Security" means any of (a) an equity security which is not a Collateral Enhancement Obligation, the acquisition of which would not cause the breach of applicable selling or transfer restrictions relating to the offering of securities or of collective investment schemes and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms of a Defaulted Obligation in effect as of the later of the Original Issue Date and the date of issuance of the relevant Collateral Debt Obligation and (b) a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to

the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or a change of Obligor) which does not satisfy the Restructured Obligation Criteria on the applicable Restructuring Date.

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

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

"FATCA" means:

- (a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation or official guidance referred to in paragraph (a) above; or
- (c) any agreement pursuant to or in connection with the implementation of any treaty, law, regulation or official guidance referred to in paragraphs (a) or (b) above with the IRS, the U.S. government or any governmental or taxation authority in any other jurisdiction.

"Final Distribution Date" means any Redemption Date in connection with a redemption of the Notes, the date upon which the Notes will be redeemed in full or upon which the proceeds from the realisation of the security will be distributed in full.

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

"Fitch CCC Obligations" means all Collateral Debt Obligations, excluding Defaulted Obligations, with a Fitch Rating of "CCC+" or lower.

"Fitch Collateral Value" means, for each Defaulted Obligation and Deferring Security as at the applicable Measurement Date, the lower of:

- (a) its prevailing Market Value; and
- (b) the relevant Fitch Recovery Rate,

in each case multiplied by its Principal Balance.

"Fitch Maximum Weighted Average Rating Factor Test" has the meaning given to it in the Portfolio Management Agreement.

"Fitch Minimum Weighted Average Recovery Rate Test" has the meaning given to it in the Portfolio Management Agreement.

"Fitch Rating" has the meaning given to it in the Portfolio Management Agreement.

"Fitch Recovery Rate" means in respect of any Collateral Debt Obligation, the Fitch recovery rate determined in accordance with the Portfolio Management Agreement.

"Fitch Tests Matrix" has the meaning given to it in the Portfolio Management Agreement.

"Fixed Rate Collateral Debt Obligation" means a Collateral Debt Obligation which bears interest at a fixed rate.

"Floating Rate Collateral Debt Obligation" means a Collateral Debt Obligation, interest payable in respect of which is calculated by reference to a floating interest rate or index.

"Floating Rate Eligible Investments" means Eligible Investments, interest payable in respect of which is calculated by reference to a floating rate or index.

"Floating Rate Notes" means the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes.

"Floating Rate of Interest" means the Class X-R Floating Rate of Interest, the Class A-R Floating Rate of Interest, the Class B-R Floating Rate of Interest, the Class C-R Floating Rate of Interest, the Class D-R Floating Rate of Interest, the Class E-R Floating Rate of Interest and the Class F-R Floating Rate of Interest as applicable and each as defined in Condition 6 (*Interest*).

"Foreign Safe Harbour" means the exemption provided for in Section __.20 of the U.S. Retention Rules.

"Form-Approved Asset Swap" means an Asset Swap Transaction pursuant to an Asset Swap Agreement, the documentation for and structure both of which conforms (save for the amount and timing of periodic payments, the name and economics of the related Non-Euro Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes) to a form previously presented to the Rating Agencies and in respect of which Rating Agency Confirmation has been received, provided that Rating Agency Confirmation shall be deemed to have been so received in respect of any such form approved by the Rating Agencies prior to the Issue Date.

"Frequency Switch Amount" means, in respect of a Frequency Switch Measurement Date, the sum of:

- (a) the amount determined pursuant to paragraph (a) of the definition of Frequency Switch Ratio (*provided that* scheduled and projected principal payments that become due to be paid in the circumstances described therein shall be deemed to be included in addition to scheduled and projected interest payments); and
- (b) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be accrued but not yet paid as at the end of the immediately following Due Period in respect of each Collateral Debt Obligation that has become a Semi-Annual Obligation within the Due Period ending on such Frequency Switch Measurement Date (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange), but excluding (x) such payments on Defaulted Obligations; and (y) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due.

"Frequency Switch Event" shall occur if, on any Frequency Switch Measurement Date:

- (a) (i) the Aggregate Principal Balance (determined in accordance with the definition thereof, excluding Defaulted Obligations) of all Collateral Debt Obligations which have become Semi-Annual Obligations in the Due Period ending on such Frequency Switch Measurement Date as a result of the change in the frequency of interest payment on such Collateral Debt Obligations, is equal to or greater than 20 per cent. of the Aggregate Collateral Balance (the Aggregate Collateral Balance being determined in accordance with the definition thereof, excluding Defaulted Obligations); (ii) for so long as any of the Class X-R Notes, the Class A-R Notes or the Class B-R Notes (or if such Classes of Notes are no longer Outstanding, the Controlling Class) remain outstanding, the Frequency Switch Ratio is less than 120.0 per cent.; and (iii) for so long as any of the Class X-R Notes, the Class A-R Notes and the Class B-R Notes (or if such Classes of Notes are no longer Outstanding, the Controlling Class) remain outstanding, the Frequency Switch Amount is equal to or greater than the amount determined pursuant to paragraph (b) of the definition of Frequency Switch Ratio; or
- (b) the Portfolio Manager declares in its sole discretion that a Frequency Switch Event shall have occurred (*provided that* for so long as any of the Class X-R Notes, the Class A-R Notes or the Class B-R Notes (or if such Classes of Notes are no longer Outstanding, the Controlling Class) remain outstanding, the requirements of paragraph (a)(iii) above are satisfied),

with the projected interest amounts (in the Frequency Switch Ratio and the Frequency Switch Amount) described above being calculated in respect of such Frequency Switch Measurement Date on the basis of the following assumptions:

- (X) in respect of each Floating Rate Collateral Debt Obligation, projected interest payable on such Floating Rate Collateral Debt Obligation on each future payment date thereunder during the immediately following Due Period shall be determined based on the applicable base rate and applicable margin pursuant to the relevant Underlying Instrument as determined as at such Frequency Switch Measurement Date;
- (Y) the frequency of interest payments on each Collateral Debt Obligation shall not change following such Frequency Switch Measurement Date; and
- (Z) EURIBOR for the purposes of calculating Interest Amounts in respect of the Class X-R Notes, the Class A-R Notes and the Class B-R Notes (or if such Classes of Notes are no longer Outstanding, the Controlling Class) at all times following such Frequency Switch Measurement Date shall be equal to EURIBOR as determined as at such Frequency Switch Measurement Date.

To avoid doubt, a Frequency Switch Event may occur regardless of whether the Class X-R Notes, the Class A-R Notes or the Class B-R Notes remain outstanding.

"Frequency Switch Measurement Date" means each Determination Date relating to a Due Period in respect of a Scheduled Payment Date, *provided that* following the occurrence of a Frequency Switch Event, no further Frequency Switch Measurement Date shall occur.

"Frequency Switch Ratio" means, in respect of a Frequency Switch Measurement Date, the ratio (expressed as a percentage) obtained by dividing:

- (a) the sum of:
 - (i) the aggregate of scheduled and projected interest payments (and any commitment fees in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Debt Obligation other than a Semi-Annual Obligation or an Annual Obligation during the immediately following Due Period (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange) but excluding (i) such payments on Defaulted Obligations; and (ii) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due;
 - (ii) 50 per cent. of the aggregate of scheduled and projected interest payments (and any commitment fees in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Debt Obligation that is a Semi-Annual Obligation during the immediately following Due Period (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange) but excluding (i) such payments on Defaulted Obligations; and (ii) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due;
 - (iii) 25 per cent. of the aggregate of scheduled and projected interest payments (and any commitment fees in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations) which will be due to be paid on each Collateral Debt Obligation that is an Annual Obligation during the immediately following Due Period (which, in the case of each such Non-Euro Obligation, to the extent that a related Asset Swap Transaction is in place, shall be converted into Euro at the applicable Asset Swap Transaction Exchange Rate for the related Asset Swap Transaction and, to the extent

that no related Asset Swap Transaction is in place, shall be converted into Euro at the Spot Rate of Exchange) but excluding (i) such payments on Defaulted Obligations; and (ii) any such payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made when due; and

- (iv) the Balance that will be standing to the credit of the Interest Smoothing Account on the Business Day following such Frequency Switch Measurement Date (on the assumption that no Frequency Switch Event shall have occurred on such Frequency Switch Measurement Date and the Portfolio Manager has credited the applicable Interest Smoothing Amount to the Interest Smoothing Account from the Interest Account on the Business Day following such Frequency Switch Measurement Date pursuant to Condition 3(j)(xi) (*Interest Smoothing Account*)); by
- (b) the sum of the scheduled Interest Amounts which will fall due on the Class X-R Notes, the Class A-R Notes and the Class B-R Notes (or if such Classes of Notes are no longer Outstanding, the Controlling Class) on the second Scheduled Payment Date following such Frequency Switch Measurement Date and all amounts due and payable pursuant to paragraphs (A) to (E) of the Interest Proceeds Priority of Payments on such date.

"Form-Approved Interest Rate Hedge" means an Interest Rate Hedge Transaction pursuant to an Interest Rate Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the name and economics of the related Collateral Debt Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes) to a form previously presented to the Rating Agencies and in respect of which Rating Agency Confirmation has been received, provided that Rating Agency Confirmation shall be deemed to have been so received in respect of any such form that has been reviewed and approved by the Rating Agencies prior to the Issue Date.

"Funded Amount" means, at any time with respect to any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation at any time, the aggregate principal amount of advances or other extensions of credit made thereunder by the Issuer that are outstanding at such time.

"Global Certificate" means a certificate representing one or more Notes in global, fully registered, form.

"Hedge Agreement" means any Interest Rate Hedge Agreement or any Asset Swap Agreement (as applicable) and **"Hedge Agreements"** means any of them and for the avoidance of doubt, includes the Initial Hedge Agreements and the Initial Asset Swap Agreements and any Replacement Interest Rate Hedge Agreement and/or Replacement Asset Swap Agreement entered into in replacement thereof.

"Hedge Agreement Eligibility Criteria" means, in respect of a Hedge Agreement, each of the following requirements:

- (a) the relevant Hedge Transaction is an interest rate swap or cross-currency swap transaction and is being entered into solely to hedge interest rate risk, timing mismatch or currency risk on the subject matter Collateral Debt Obligation;
- (b) the relevant Hedge Transaction relates to a single Collateral Debt Obligation only although multiple Hedge Transactions with the same counterparty may be entered into under a single master hedge agreement;
- (c) the relevant Hedge Transaction does not change the tenor of the subject matter Collateral Debt Obligation;
- (d) the relevant Hedge Transaction does not leverage exposure to the subject matter Collateral Debt Obligation or otherwise inject leverage into the Issuer's exposure;
- (e) other than with respect to introducing credit risk exposure to the counterparty on the Hedge Transaction, the relevant Hedge Transaction does not change the Issuer's credit risk exposure to the Obligor on the subject matter Collateral Debt Obligation;

- (f) the relevant Hedge Transaction is documented pursuant to an ISDA Master Agreement, including pursuant to a confirmation for each Hedge Transaction thereunder;
- (g) payment dates under the relevant Hedge Transaction correspond to or occur on or about Payment Dates or the relevant Collateral Debt Obligation payment dates;
- (h) the notional amount of the relevant Hedge Transaction will decline in line with the principal amount of the relevant Collateral Debt Obligation;
- (i) in the Portfolio Manager's view, in the context of the transaction as a whole, the relevant Hedge Transaction will not change the noteholders' investment risk profile in respect of the Notes in any material way by virtue thereof; and
- (j) either (A) the relevant Hedge Transaction must terminate automatically in whole or in part (as applicable) when the subject matter Collateral Debt Obligation is sold or matures; or (B) the Issuer must have the right to terminate the relevant Hedge Transaction in whole or in part (as applicable) when the subject matter Collateral Debt Obligation is sold or matures and at the time the relevant Hedge Transaction is entered into the Portfolio Manager intends to cause the Issuer to exercise such right.

"Hedge Counterparty" means any Interest Rate Hedge Counterparty or any Asset Swap Counterparty (as applicable) or any financial institution (or its credit support provider) which is required to satisfy the applicable Rating Requirements (taking into account any guarantor thereof) and **"Hedge Counterparties"** means any of them.

"Hedge Counterparty Termination Payment" means Asset Swap Counterparty Termination Payments and Interest Rate Hedge Counterparty Termination Payments.

"Hedge Issuer Termination Payment" means Asset Swap Issuer Termination Payments and Interest Rate Hedge Issuer Termination Payments.

"Hedge Replacement Payment" means Asset Swap Replacement Payments and Interest Rate Hedge Replacement Payments.

"Hedge Replacement Receipts" means Asset Swap Replacement Receipts and Interest Rate Hedge Replacement Receipts.

"Hedge Transaction" means any Interest Rate Hedge Transaction or any Asset Swap Transaction and **"Hedge Transactions"** means any of them.

"High Yield Bond" means a debt security other than a Senior Secured Bond which, on acquisition by the Issuer, is either rated below BBB- by S&P or Fitch or equivalent by at least one internationally recognised credit rating agency (provided that, if such debt security is, at any time following acquisition by the Issuer, no longer rated by at least one internationally recognised rating agency as below investment grade, it will not, as a result of such change in rating, fall outside this definition) or which is a high yielding debt security, in each case as determined by the Portfolio Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"Incentive Management Fee" means the fee payable to the Portfolio Manager pursuant to the Portfolio Management Agreement in an amount, as determined by the Collateral Administrator, equal to the amount (such amount to be exclusive of VAT) specified at paragraph (BB) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments provided that such amount will only be payable to the Portfolio Manager if the Incentive Management Fee IRR Threshold has been reached.

"Incentive Management Fee IRR Threshold" means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes then Outstanding have received an IRR of at least 13 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the last day of the

Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

"Incurrence Covenant" means a covenant by any Obligor to comply with one or more financial covenants only upon the occurrence of certain actions of the Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"Initial Asset Swap Agreements" means the initial Asset Swap Agreements entered into on or about the Issue Date.

"Initial Hedge Agreements" means the Initial Asset Swap Agreements and/or the Initial Interest Rate Hedge Agreements entered into on or about the Issue Date.

"Initial Interest Rate Hedge Agreements" means the initial Interest Rate Hedge Agreements entered into on or about the Issue Date.

"Initial Payment Period" means the period commencing on, and including, the Issue Date to, but excluding, the first Payment Date.

"Initial Ratings" means, in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and **"Initial Rating"** means each such rating.

"Interest Account" means an account of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"Interest Coverage Amount" means, on any Measurement Date:

- (a) the Balance standing to the credit of the Interest Account and the Expense Reserve Account;
- (b) plus the scheduled interest payments (including (x) any commitment fees due but not yet received in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations, (y) any amounts which the applicable Obligor has agreed to pay by way of gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and (z) any amounts which the Portfolio Manager reasonably determines will be received within the same Due Period by way of recovery from an applicable tax authority under a double tax treaty) due but not yet received (in each case regardless of whether the applicable due date has yet occurred) in the Due Period in which such Measurement Date occurs on the Collateral Debt Obligations, the Eligible Investments and the Accounts (other than each Counterparty Downgrade Collateral Account, but including interest on third party collateral accounts of the kind referred to in Condition 3(j)(ix) (*Revolving Reserve Account*)) excluding:
 - (i) accrued and unpaid interest on Defaulted Obligations (excluding Current Pay Obligations);
 - (ii) interest on any Collateral Debt Obligation to the extent that such Collateral Debt Obligation does not provide for the scheduled payment of interest in cash;
 - (iii) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Collateral Debt Obligation;
 - (iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;
 - (v) interest on any Collateral Debt Obligation which has not paid cash interest on a current basis for the lesser of twelve months and its most recent two interest periods;
 - (vi) any scheduled interest payments as to which the Issuer or the Portfolio Manager has actual knowledge that such payment will not be made; and
 - (vii) any Purchased Accrued Interest,

provided that, in respect of a Non-Euro Obligation (i) that is an Asset Swap Obligation, this paragraph (b) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (ii) that is not subject to an Asset Swap Transaction, the amount taken into account for this paragraph (b) should be an amount equal to the scheduled interest payments due but not yet received in respect of such Collateral Debt Obligation, subject to the exclusions set out above, converted into Euros at the then prevailing Spot Rate of Exchange;

- (c) minus the amounts payable pursuant to paragraphs (A) to (E) of the Interest Proceeds Priority of Payments on the following Payment Date;
- (d) minus any of the above amounts that would be payable into the Interest Smoothing Account on the Business Day after the Determination Date at the end of the Due Period in which such Measurement Date falls;
- (e) minus any interest in respect of a Mezzanine Obligation or PIK Security that has been deferred (but only to the extent such amount has not already been excluded in accordance with paragraph (b) above);
- (f) plus any amounts that would be payable from the Interest Smoothing Account to the Interest Account in the Due Period in which such Measurement Date falls (without double counting any such amounts which have been already transferred to the Interest Account); and
- (g) plus any Scheduled Periodic Interest Rate Hedge Counterparty Payments under any Interest Rate Hedge Transaction (as determined by the Portfolio Manager in consultation with the Collateral Administrator) but to the extent not already included in accordance with paragraph (a) above.

For the purposes of calculating the Interest Coverage Amount, the expected or scheduled interest income on Collateral Debt Obligations and Eligible Investments and on any relevant Account and on any Class of Notes shall be calculated using the then current interest rates applicable thereto.

"Interest Coverage Ratio" means the Class A-R/B-R Interest Coverage Ratio, the Class C-R Interest Coverage Ratio, the Class D-R Interest Coverage Ratio and the Class E-R Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

"Interest Coverage Test" means the Class A-R/B-R Interest Coverage Test, the Class C-R Interest Coverage Test, the Class D-R Interest Coverage Test and the Class E-R Interest Coverage Test.

"Interest Determination Date" shall have the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"Interest Proceeds" means all amounts paid or payable into the Interest Account from time to time (and with respect to any Payment Date, means the Interest Proceeds received or receivable by or on behalf of the Issuer during the related Due Period including all Scheduled Periodic Interest Rate Hedge Counterparty Payments and Scheduled Periodic Asset Swap Counterparty Payments to be applied in accordance with the Priorities of Payment on such Payment Date together with any other amounts to be disbursed as Interest Proceeds on such Payment Date pursuant to the Interest Proceeds Priority of Payments pursuant to Condition 3(c)(i) (*Application of Interest Proceeds*)), including, for the avoidance of doubt, amounts being transferred to the Interest Smoothing Account under Condition 3(j)(xi) (*Interest Smoothing Account*).

"Interest Proceeds Priority of Payments" means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"Interest Rate Hedge Agreement" means each 1992 Master Agreement (Multicurrency – Cross-Border) or 2002 Master Agreement published by the International Swaps and Derivatives Association (as applicable) (including any confirmations evidencing the transactions thereunder and any annexes or schedules thereto) between the Issuer and an Interest Rate Hedge Counterparty evidencing interest rate

swap, cap and/or floor transactions entered into between the Issuer and such Interest Rate Hedge Counterparty from time to time, as the same may be supplemented, amended or replaced from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"Interest Rate Hedge and Asset Swap Termination Receipt Account" means the account (or accounts) of the Issuer with the Account Bank into which Hedge Counterparty Termination Payments and Hedge Replacement Receipts shall be paid, which account (or accounts) shall be maintained in each relevant currency in relation to the Asset Swap Transactions.

"Interest Rate Hedge Counterparty" means any financial institution which, at the time it enters into an Interest Rate Hedge Agreement, is required to satisfy the applicable Rating Requirement (taking into account any guarantor thereof) and is authorised to conduct derivatives business with residents domiciled in Ireland.

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

"Interest Rate Hedge Issuer Termination Payment" means the amount payable to the Interest Rate Hedge Counterparty by the Issuer upon termination or modification of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement excluding, for all purposes other than determining the amount payable by the Issuer to the Interest Rate Hedge Counterparty under the relevant Interest Rate Hedge Agreement, any due and unpaid Scheduled Periodic Interest Rate Hedge Issuer Payments.

"Interest Rate Hedge Replacement Payment" means any amount payable to a replacement Interest Rate Hedge Counterparty by the Issuer upon entry into a Replacement Interest Rate Hedge Transaction.

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

"Interest Rate Hedge Transaction" means each interest rate transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap transaction or an interest rate cap transaction or an interest rate floor transaction or any combination thereof. The entry into any Interest Rate Hedge Transaction, save for a Form-Approved Interest Rate Hedge, will be subject to (among other things) Rating Agency Confirmation.

"Interest Smoothing Account" means the account described as such in the name of the Issuer with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(xi) (*Interest Smoothing Account*).

"Interest Smoothing Amount" means:

- (a) in respect of each Determination Date relating to a Due Period in respect of a Scheduled Payment Date on and following the Determination Date upon which a Frequency Switch Event occurs, an amount equal to the sum of all payments of interest received during the related Due Period in respect of each Annual Obligation multiplied by 0.50; and
- (b) in respect of each Determination Date relating to a Due Period in respect of a Scheduled Payment Date prior to the occurrence of a Frequency Switch Event and for so long as any Rated Notes are Outstanding, an amount equal to the sum of all payments of interest received during the related Due Period in respect of a Semi-Annual Obligation or an Annual Obligation multiplied by:
 - (i) in respect of a Semi-Annual Obligation, 0.50; and
 - (ii) in respect of an Annual Obligation, 0.75,

in each case, (x) excluding all interest and other amounts received in respect of any Defaulted Obligations save for any Defaulted Obligation Excess Amounts and (y) provided that following redemption in full of the Rated Notes or if the Aggregate Principal Balance of the Annual Obligations and the Semi-Annual Obligations referred to in this definition (as at the last day of the related Due Period) is less than or equal to 5 per cent. of the Aggregate Collateral Balance (and where, for such purpose, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value), such amount shall be deemed to be zero.

"Intermediary Obligation" means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in respect of any obligation of the lender to a "fronting bank" in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

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

"Irish Account" means the bank account of the Issuer in which the Issuer's share capital and Issuer Profits are deposited.

"Irish Business Day" means a day on which commercial banks and foreign exchange markets settle payments in the Republic of Ireland (other than a Saturday or Sunday).

"Irish Excluded Assets" means the Irish Account and the Issuer Corporate Services Agreement.

"Irish Stock Exchange" means Irish Stock Exchange plc.

"IRR" means the internal rate of return calculated using the "XIRR" function in Microsoft Excel or any equivalent function in another software package that would result in a net present value of zero, assuming: (i) the Principal Amount Outstanding of the Subordinated Notes on the Original Issue Date as the initial cash outflow and all distributions to the Subordinated Notes on the current and each preceding Payment Date (including any payment dates that occurred from the Original Issue Date to and including the Issue Date) as subsequent cash inflows (including the Redemption Date, if applicable); (ii) the initial date for the calculation as the Issue Date; and (iii) the number of days to each subsequent Payment Date from the Issue Date calculated on the basis of the actual number of days in an Accrual Period divided by 365.

"IRS" means the United States Internal Revenue Service or any successor thereto.

"Issue Date" means 12 April 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Placement Agent and the Portfolio Manager).

"Issue Date Payments Report" means the Issue Date Payments Report attached in Annex C of the Prospectus.

"Issuer Corporate Services Agreement" means the corporate services agreement dated on or about the Original Issue Date entered into between the Issuer Corporate Services Provider and the Issuer.

"Issuer Corporate Services Provider" means TMF Administration Services Limited in its capacity as Issuer Corporate Services Provider pursuant to the Issuer Corporate Services Agreement.

"Issuer Fees and Expenses" means all amounts payable by the Issuer to the Placement Agent pursuant to the Issuer Fees and Expenses Letter, plus any VAT due and payable thereon.

"Issuer Fees and Expenses Letter" means the letter dated on or about the Issue Date between the Issuer and the Placement Agent setting out the fees and expenses payable to the Placement Agent by the Issuer in connection with the issue of the Notes.

"Issuer Profit" means €1,000 per annum payable to the Issuer as a profit and corporate benefit in equal instalments semi-annually in arrear in accordance with the Priorities of Payment quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) on each Payment Date.

"Maintenance Covenant" means a covenant by any Obligor to comply with one or more financial covenants during each reporting period, whether or not such Obligor has taken any specified action.

"Mandatory Redemption" means a redemption of the Notes pursuant to and in accordance with Condition 7(c)) (*Redemption upon Breach of Coverage Tests*), or Condition 7(f) (*Redemption following expiry of the Reinvestment Period*) as applicable.

"Margin Stock" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into such margin stock.

"Market Value" means, on any date of determination and as provided by the Portfolio Manager to the Collateral Administrator (in each case expressed as a percentage of par):

- (a) the bid price determined by an independent recognised pricing service; or
- (b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Debt Obligations; or
- (c) if three such broker-dealer prices are not available, the lower of the bid side prices (in the case of any High Yield Bond or PIK Security, excluding accrued interest) determined by two such broker-dealers; or
- (d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Portfolio Manager pursuant to (e) hereafter would be lower); or
- (e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:
 - (i) the higher of (x) the S&P Recovery Rate of such Collateral Debt Obligation; (y) the Fitch Recovery Rate of such Collateral Debt Obligation and (z) 70 per cent.; and
 - (ii) the fair market value thereof determined by the Portfolio Manager on a best efforts basis in a manner consistent with reasonable and customary market practice.

For the purposes of this definition, "independent" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing services and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Portfolio Manager.

"Maturity Date" means 12 April 2031 or, in the event that such day is not a Business Day, the next following Business Day.

"Measurement Date" means:

- (a) for the purposes of determining satisfaction of the Reinvestment Criteria, firstly, immediately prior to receipt of any Principal Proceeds which are to be reinvested without taking into account and, secondly, taking into account the proposed sale, repayment or prepayment and reinvestment of the proceeds thereof in Substitute Collateral Debt Obligations;
- (b) the date of acquisition of any additional Collateral Debt Obligation;
- (c) each Determination Date;
- (d) the date as at which any Report is prepared; and
- (e) with reasonable (and not less than two Business Days) notice in writing, any Business Day requested by any Rating Agency.

"Mezzanine Obligation" means a mezzanine loan or other comparable debt obligation including any such loan or debt obligation with attached warrants and including any such obligation which is

evidenced by an issue of notes (other than High Yield Bonds), as determined by the Portfolio Manager in its reasonable business judgement, or a Participation therein.

"**MiFID**" means EU Directive 2004/39/EC on Markets in Financial Instruments (as amended from time to time).

"**Minimum Denomination**" means:

- (a) in the case of the Regulation S Notes of each Class, €100,000; and
- (b) in the case of the Rule 144A Notes of each Class, €250,000.

"**Minimum Weighted Average Spread Test**" has the meaning given to it in the Portfolio Management Agreement.

"**Monthly Report**" means any monthly report defined as such in the Portfolio Management Agreement which is prepared by the Collateral Administrator (in consultation with the Portfolio Manager) on behalf of the Issuer on such dates as are set forth in the Portfolio Management Agreement, and which is made available in PDF format, with the underlying portfolio data being made available in excel format or in CSV format, via a secured website currently located at <https://usbtrustgateway.usbank.com/portal/login.do> (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, Trustee, the Portfolio Manager, the Placement Agent, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time), which shall be accessible to the Placement Agent, the Issuer, the Trustee, the Portfolio Manager, each Hedge Counterparty and the Rating Agencies and, upon request therefor in accordance with Condition 4(e) (*Information regarding the Collateral*), to any Noteholder and which shall include (among other things) information regarding the status of certain of the Collateral pursuant to the Portfolio Management Agreement.

"**Non-Call Period**" means the period from, and including, the Issue Date, up to, but excluding, 12 April 2019.

"**Non-Euro Account**" means each segregated account into which amounts due to the Issuer in respect of each Asset Swap Obligation (and any initial principal exchange amount due from an Asset Swap Counterparty under an Asset Swap Transaction) and out of which amounts due from the Issuer to each Asset Swap Counterparty under each relevant Asset Swap Transaction (including Scheduled Periodic Asset Swap Issuer Payments and Asset Swap Issuer Principal Exchange Amounts) are to be paid.

"**Non-Euro Obligation**" means any Collateral Debt Obligation purchased by or on behalf of the Issuer in accordance with the Portfolio Management Agreement which is denominated in a Qualifying Currency other than Euro and which satisfies the Eligibility Criteria.

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

"**Non-Permitted Holder**" means a Noteholder of an interest in a Rule 144A Note that is a U.S. person as defined in Regulation S under the Securities Act and is not a QIB/QP.

"**Non-Permitted U.S. Risk Retention Holder**" means a Noteholder that is determined by the Issuer to be Noteholder who has acquired its interest in any Notes in violation of the U.S. Risk Retention Transfer Restriction.

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

"**Note Tax Event**" means, at any time the introduction of a new, or any change in any tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any

payment of principal or interest on any Class of Notes becoming properly subject to any withholding tax other than:

- (a) a payment in respect of Deferred Interest becoming properly subject to any withholding tax;
- (b) withholding tax in respect of FATCA; or
- (c) 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.

"Noteholders" means the persons in whose name the Notes are registered from time to time.

"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 X-R Notes and the Class A-R Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class X-R Notes and the Class A-R Notes have been fully redeemed;
- (b) *secondly*, to the redemption of the Class B-R Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class B-R Notes have been fully redeemed;
- (c) *thirdly*, to the redemption of the Class C-R 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-R Notes have been fully redeemed;
- (d) *fourthly*, to the redemption of the Class D-R 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-R Notes have been fully redeemed;
- (e) *fifthly*, to the redemption of the Class E-R 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-R Notes have been fully redeemed; and
- (f) *sixthly*, to the redemption of the Class F-R Notes including any Deferred Interest thereon (on a *pro rata and pari passu basis*) at the applicable Redemption Price in whole or in part until the Class F-R Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"Note Purchase Agreement" means each note purchase agreement (or as the context may require any one or more of them) entered into between the Issuer and the applicable Noteholder and dated on or before the Issue Date.

"Obligor" means, in respect of a Collateral Debt Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Portfolio Manager on behalf of the Issuer).

"Offer" means, with respect to any Collateral Debt Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration or (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument.

"Optional Redemption" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*) or 7(d) (*Redemption following a Note Tax Event*).

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

"Original Issue Date Collateral Debt Obligation" means an obligation for which the Issuer (or the Portfolio Manager acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Original Issue Date.

"Original Issue Date Sale and Purchase Agreement" means the agreement entered into between the Issuer and the counterparty to a total return swap facility with the Portfolio Manager in connection with the sale and purchase of the Original Issue Date Collateral Debt Obligations on or before the Original Issue Date.

"Other Plan Law" means any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

"Outstanding" means, in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in and subject to the provisions of the Trust Deed.

"Participation" means an interest in a Collateral Debt Obligation taken indirectly by the Issuer by way of sub-participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Portfolio Management Agreement, Intermediary Obligations.

"Participation Agreement" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"Par Value Ratio" means the Class A-R/B-R Par Value Ratio, the Class C-R Par Value Ratio the Class D-R Par Value Ratio, the Class E-R Par Value Ratio or the Class F-R Par Value Ratio (as applicable).

"Par Value Test" means the Class A-R/B-R Par Value Test, the Class C-R Par Value Test, the Class D-R Par Value Test, the Class E-R Par Value Test or the Class F-R Par Value Test (as applicable).

"Par Value Test Adjusted Principal Amount" means, at any date of determination:

- (a) the Aggregate Principal Balance of the Collateral Debt Obligations (other than Defaulted Obligations and Deferring Securities); *plus*
- (b) without duplication, the amounts on deposit in the Principal Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*
- (c) in relation to a Defaulted Obligation or a Deferring Security, the lower of its Fitch Collateral Value and its S&P Collateral Value, provided that the Par Value Test Adjusted Principal Amount of a Defaulted Obligation that has been a Defaulted Obligation for a continuous period of more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date of determination shall be zero; *minus*
- (d) the Discounted Collateral Haircut; *minus*
- (e) the CCC Excess Haircut,

provided that, with respect to any Collateral Debt Obligation that satisfies more than one of paragraphs (c) through (e) above, such Collateral Debt Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Debt Obligations which results in the lowest Par Value Test Adjusted Principal Amount on any date of determination.

"Payment Account" means the account in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the second Business Day prior to each Payment Date out of certain of the other Accounts in accordance

with Condition 3(j) (*Payments to and from the Accounts*) and out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payment shall be paid.

"Payment Date" means:

- (f) 12 January, 12 April, 12 July, 12 October at any time prior to the occurrence of a Frequency Switch Event; and
- (g) 12 January and 12 July (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either January or July), or 12 April and 12 October (where the Payment Date immediately following the occurrence of a Frequency Switch Event falls in either April or October), following the occurrence of a Frequency Switch Event,

in each case, in each year, commencing on 12 July 2017 up to and including the Maturity Date (each a **"Scheduled Payment Date"**) any Redemption Date in connection with a redemption of the Notes in whole, the Final Distribution Date and/or following the date upon which the Rated Notes have been redeemed in full, any Unscheduled Payment Date, provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"Payment Date Report" means the accounting report defined as such in the Portfolio Management Agreement which is prepared by the Collateral Administrator (in consultation with the Portfolio Manager) on behalf of the Issuer and made available in PDF format, with the underlying portfolio data being made available in excel format or in CSV format, via a secured website currently located at <https://usbtrustgateway.usbank.com/portal/login.do> (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Portfolio Manager, the Hedge Counterparties, the Rating Agencies, the Placement Agent and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, the Placement Agent, any holder of a beneficial interest in any Note (upon written request of such holder), each Hedge Counterparty and each Rating Agency not later than the second Business Day preceding the related Payment Date.

"Payment Period" means each of the Initial Payment Period and the period from, and including, any Payment Date to, but excluding, the next successive Payment Date.

"PIK Security" means any Collateral Debt 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 provided that, where a Collateral Debt Obligation falls within the definition of Mezzanine Obligations and PIK Securities, it shall constitute a Mezzanine Obligation and not a PIK Security.

"Permitted Use" means, with respect to Additional Subordinated Note Proceeds, any of the following uses: (i) the transfer of the applicable portion of such amount to the Interest Account for application as Interest Proceeds on any Payment Date in accordance with the Interest Proceeds Priority of Payments; (ii) the transfer of the applicable portion of such amount to the Principal Account for application as Principal Proceeds on any Payment Date in accordance with the Principal Proceeds Priority of Payments or for the purchase of Collateral Debt Obligations subject to the satisfaction of the Reinvestment Criteria in each case provided such deposit into the Principal Account or such purchase will not cause a Retention Deficiency; and (iii) subject to the limitations in the Transaction Documents with respect to Margin Stock, the purchase of one or more Collateral Enhancement Obligations, in each case subject to the limitations set forth in the Transaction Documents.

"Person" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"Placement Agent" means J.P. Morgan Securities plc.

"Placement Agency Agreement" means the placement agency agreement dated on or about the Issue Date between the Issuer and the Placement Agent.

"PM Non-Voting Exchangeable Notes means Rated Notes which:

- (a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be so counted; and
- (b) are exchangeable into:
 - (i) PM Non-Voting Notes at any time; or
 - (ii) PM Voting Notes only in connection with the transfer of such Rated Notes to an entity that is not an Affiliate of the transferor.

"PM Non-Voting Notes" means Rated Notes which:

- (a) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the PM Voting Notes have a right to vote and be so counted; and
- (b) are not exchangeable into PM Voting Notes or PM Non-Voting Exchangeable Notes at any time.

"PM Removal Resolution" means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Portfolio Manager in accordance with the Portfolio Management Agreement following the occurrence of a Portfolio Manager Event of Default.

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

"PM Voting Notes" means Rated Notes which:

- (a) carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of voting on a PM Removal Resolution or a PM Replacement Resolution and all other matters as to which Holders are entitled to vote; and
- (b) are exchangeable into PM Non-Voting Notes or PM Non-Voting Exchangeable Notes at any time.

"Portfolio" means the Collateral Debt Obligations, Collateral Enhancement Obligations, Exchanged Securities and Eligible Investments held by or on behalf of the Issuer from time to time.

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

"Portfolio Manager Advance" means any amount which may be advanced by the Portfolio Manager to the Issuer pursuant to the Portfolio Management Agreement on the terms set out therein for the purpose of acquiring or exercising rights under any Collateral Enhancement Obligation.

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

"Portfolio Manager Related Person" means the Portfolio Manager's Affiliates or any fund or account for which the Portfolio Manager or its Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Notes.

"Portfolio Profile Tests" means the Portfolio Profile Tests each as defined in the Portfolio Management Agreement.

"Post-Acceleration Priority of Payments" has the meaning given in Condition 11(b) (*Enforcement*).

"Presentation Date" means a day which (subject to Condition 12 (*Prescription*)):

- (a) is a Business Day;
- (b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and
- (c) is a Business Day in which the account specified by the payee is open.

"Principal Account" means the account of the Issuer with the Account Bank into which Principal Proceeds are to be paid.

"Principal Amount Outstanding" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, which in the case of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes shall, for the avoidance of doubt, include that element of the principal amount outstanding which represents Deferred Interest which has been capitalised pursuant to Condition 6(c)(i) (*Deferred Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights or the right to give directions or instructions attributable to the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and *provided that* solely:

- (a) in connection with a PM Removal Resolution or a PM Replacement Resolution, no Notes held in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes shall (i) entitle a holder thereof to vote in respect of such PM Removal Resolution or PM Replacement Resolution, or (ii) be counted for the purposes of determining a quorum or the result of voting in respect of such PM Removal Resolution or PM Replacement Resolution; and
- (b) in connection with a PM Removal Resolution or a PM Replacement Resolution, no Notes held by a Portfolio Manager or a Portfolio Manager Related Person shall (i) entitle a holder thereof to vote in respect of such PM Removal Resolution or PM Replacement Resolution, or (ii) be counted for the purposes of determining a quorum or the result of voting in respect of such PM Removal Resolution or PM Replacement Resolution.

"Principal Balance" means, with respect to any Collateral Debt Obligation, Eligible Investment, Collateral Enhancement Obligation or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (including the amount of any accrued interest which is paid for on the date of acquisition thereof), *provided, however, that*:

- (a) the Principal Balance of any Revolving Collateral Obligation and Delayed Drawdown Collateral Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation;
- (b) the Principal Balance of each Exchanged Security and each Collateral Enhancement Obligation, shall be deemed to be zero (*provided that* for the purposes of determining compliance with the EU Retention Requirements, the Principal Balance of any Exchanged Security shall be determined as provided for in the definition of Aggregate Collateral Balance herein);
- (c) the Principal Balance of any Non-Euro Obligation shall be the Euro notional amount of the Asset Swap Transaction entered into in respect thereof *provided that* for a period not exceeding 30 calendar days following the termination of such Asset Swap Transaction, the Principal Balance of the applicable Non-Euro Obligation shall be the Principal Balance as determined in accordance with this definition for Collateral Debt Obligations denominated in Euro converted into Euro at the Spot Rate of Exchange prevailing at the date of determination (or, if earlier, ending on the date upon which a Replacement Asset Swap Transaction is entered into in respect of such Non-Euro Obligation); and thereafter, the Euro notional amount of the Replacement Asset Swap Transaction entered into in respect thereof, or (for so long as

no Replacement Asset Swap Transaction is entered into in respect thereof) the Principal Balance of such Non-Euro Obligation shall be zero;

- (d) the Principal Balance of any cash shall be the amount of such cash converted where applicable into Euro at the Applicable Exchange Rate;
- (e) if in respect of any Corporate Rescue Loan where either (x) both an S&P Issuer Credit Rating and a publicly available rating from Fitch are unavailable or (y) no credit estimate has been assigned to it by either S&P or Fitch, in each case, within three months following the Issuer entering into a binding commitment to acquire such Corporate Rescue Loan, then the Principal Balance of such Corporate Rescue Loan shall be zero unless and until either an S&P Issuer Credit Rating or a publicly available rating from Fitch or credit estimate is available or assigned by S&P or Fitch; provided further that for the purposes of determining compliance with the EU Retention Requirements, the Principal Balance of any Corporate Rescue Loan shall be the outstanding principal amount thereof (including any accrued interest which is paid for on the date of acquisition thereof); and
- (f) in respect of a Collateral Debt Obligation, (X) the S&P Rating of which has been determined pursuant to paragraph (e)(ii) of the definition of S&P Rating for a consecutive period of 90 days during which S&P has not provided a credit estimate in respect of such Collateral Debt Obligation and (Y) that has not had a public rating by S&P withdrawn or suspended within six months prior to the date of application for a credit estimate in respect of such Collateral Debt Obligation, following the earlier of (A) S&P notifying the Portfolio Manager that no credit estimate will be provided for such Collateral Debt Obligation after the expiry of the 90-day period during which S&P has not provided a credit estimate and (B) the expiry of a period of six months during which the S&P Rating of such Collateral Debt Obligation has been continuously determined in accordance with paragraph (e)(ii) of the S&P Rating definition without a credit estimate having been assigned to it during such period, the Principal Balance of such Collateral Debt Obligation shall be zero, unless S&P has agreed to extend such period, and until an S&P Rating can be determined in respect of such Collateral Debt Obligation pursuant to paragraphs (a), (b) or (e)(i) of the definition of S&P Rating, a credit estimate being assigned by S&P in respect of such Collateral Debt Obligation or such other treatment being applied to such Collateral Debt Obligation as may be advised by S&P; and provided further that for the purposes of calculating the Aggregate Collateral Balance for the purposes of determining compliance with the EU Retention Requirements, the Principal Balance of any such Collateral Debt Obligation shall be the outstanding principal amount thereof (including any accrued interest which is paid for on the date of acquisition thereof).

"Principal Proceeds" means all amounts paid or payable into the Principal Account from time to time (and with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period to be applied in accordance with the Principal Proceeds Priority of Payments on such Payment Date and, in each case, shall include any other amounts to be disbursed as Principal Proceeds in accordance with the Principal Proceeds Priority of Payments on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*)).

"Principal Proceeds Priority of Payments" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"Priorities of Payment" means:

- (a) save for (i) in connection with any Optional Redemption of the Notes in whole pursuant to Condition 7(b) (*Optional Redemption*), or Condition 7(d) (*Redemption following a Note Tax Event*) or (ii) upon an acceleration of the Notes which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments, in the case of Principal Proceeds, the Principal Proceeds Priority of Payments and in the case of Collateral Enhancement Obligation Proceeds, the Collateral Enhancement Obligation Proceeds Priority of Payments; and
- (b) in the event of any Optional Redemption of the Notes in whole pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) or upon an

acceleration of the Notes which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*), the Post-Acceleration Priority of Payments.

"Prospectus" means the final prospectus of the Issuer in respect of the Notes dated on or about 10 April 2017.

"Purchased Accrued Interest" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation or PIK Security, any accrued interest which, at the time of the purchase had been capitalised and added to the principal amount of such Mezzanine Obligation or PIK Security in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds.

"QIB" means a Person who is a qualified institutional buyer as defined in Rule 144A.

"QIB/QP" means a Person who is both a QIB and a QP.

"Qualified Purchaser" and **"QP"** mean a Person who is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act.

"Qualifying Country" means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Republic of Ireland, Italy, Liechtenstein, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United States, the United Kingdom and any country having a foreign currency issuer credit rating, at the time of acquisition of the relevant Collateral Debt Obligation or Eligible Investment, of at least "A-" by each of S&P and Fitch or any other country in respect of which Rating Agency Confirmation has been received, at the time of acquisition of the relevant Eligible Investment or Collateral Debt Obligation from each Rating Agency.

"Qualifying Currency" means Euro, Sterling, U.S. Dollars or such other currency in respect of which Rating Agency Confirmation from each of S&P and Fitch is received and for which the Account Bank has confirmed it is able to hold deposits.

"Rated Notes" means, so long as any Notes of the relevant Class remains Outstanding, each Class of Notes other than the Subordinated Notes.

"Rating Agency" means Fitch and S&P, provided that if at any time Fitch and/or S&P ceases to provide rating services, any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (a **"Replacement Rating Agency"**, and **"Rating Agency"** means any such rating agency). If at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Portfolio Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to **"Rating Agencies"** shall be construed accordingly.

"Rating Agency Confirmation" means, with respect to any specified action, determination or appointment, receipt by the Issuer and the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has assigned ratings to the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if such Rating Agency has declined a request from the Trustee, the Portfolio Manager or the Issuer to review the effect of such action, determination or appointment or if such Rating Agency announces or confirms to the Trustee, the Portfolio Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment.

"Rating Confirmation Plan" means a plan provided by the Portfolio Manager (acting on behalf of the Issuer) setting forth the timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described in the Portfolio Management Agreement.

"Rating Requirement" means:

- (a) in the case of any Hedge Counterparty, the rating requirements set out in the relevant Hedge Agreement;
- (b) in the case of the Account Bank:
 - (i) a long-term issuer default rating of at least "A" by Fitch or a short-term issuer default rating of at least "F1" by Fitch; and
 - (ii) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long term issuer credit rating of at least "A+" by S&P;
- (c) in the case of the Custodian or any sub-custodian appointed thereby:
 - (i) a long-term issuer default rating of at least "A" by Fitch or a short-term issuer default rating of at least "F1" by Fitch; and
 - (ii) a long-term issuer credit rating of at least "A" by S&P and a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such short-term rating, a long term issuer credit rating of at least "A+" by S&P;
- (d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table set forth in the Portfolio Management Agreement; and
- (e) in each case, if any of the requirements described in this definition are not satisfied by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"Receiver" means a receiver, receiver and manager or an administrative receiver.

"Record Date" means the fifteenth day before the relevant due date for payment of principal and interest in respect of a Note.

"Redemption Date" means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or if such day is not a Business Day, the next day that is a Business Day (unless it would fall in the following month, in which case such date shall be brought forward to the immediately preceding Business Day), or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"Redemption Notice" means a redemption notice in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"Redemption Price" means, when used with respect to:

- (a) any Subordinated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any) or, if greater, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (BB) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments as applicable) of the proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Post-Acceleration Priority of Payments; and

- (b) any Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R Note, Class E-R Note or Class F-R Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued but unpaid interest (including Deferred Interest (if applicable)) thereon to the date of redemption.

"Redemption Threshold Amount" means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes in whole on the scheduled Redemption Date in accordance with the Priorities of Payment which rank in priority to payments in respect of the Subordinated Notes.

"Reference Banks" has the meaning given thereto in Condition 6(e)(i)(B) (*Floating Rate of Interest*).

"Refinancing" has the meaning given to it in Condition 7(b) (*Optional Redemption*).

"Refinancing Costs" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing (for the avoidance of doubt including any Trustee Fees and Expenses and any Administrative Expenses in connection with the same) and in each case that have been incurred as a direct result of a Refinancing, as determined by the Portfolio Manager.

"Refinancing Proceeds" means the cash proceeds from a Refinancing.

"Register" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Notes" means the Notes offered for sale to non-U.S. persons (as defined in Regulation S) outside the United States in reliance on Regulation S.

"Reinvestment Criteria" has the meaning given to it in the Portfolio Management Agreement.

"Reinvestment Period" means the period from and including the Issue Date up to, and including, the earliest of (a) 12 April 2021, (b) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such acceleration has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of a Note Event Default*)) and (c) the date on which the Portfolio Manager reasonably believes and notifies the Issuer, each Rating Agency and the Trustee that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Reinvestment Criteria.

"Reinvestment Target Par Balance" means, as at any date of determination, the Target Par Amount minus the amount of any reduction in the Principal Amount Outstanding of the Notes, plus the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuances*) or if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

"Replacement Asset Swap Agreement" means any Asset Swap Agreement entered into by the Issuer in accordance with the provisions of the Portfolio Management Agreement upon termination of an existing Asset Swap Agreement on substantially the same terms as such existing Asset Swap Agreement, that preserves for the Issuer the economic effect of the terminated Asset Swap Transactions outstanding thereunder, subject to such amendments thereto as may be agreed by the Portfolio Manager acting on behalf of the Issuer and in respect of which Rating Agency Confirmation is obtained unless such Replacement Asset Swap Agreement is a Form-Approved Asset Swap.

"Replacement Asset Swap Transaction" means any Asset Swap Transaction entered into by the Issuer, or the Portfolio Manager on its behalf, pursuant to a Replacement Asset Swap Agreement.

"Replacement Interest Rate Hedge Agreement" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Transactions outstanding thereunder subject to such amendments as may be agreed by the Portfolio Manager acting on behalf of the Issuer and in respect of which Rating Agency Confirmation is obtained unless such Replacement Interest Rate Hedge Agreement is a Form-Approved Interest Rate Hedge.

"Replacement Interest Rate Hedge Transaction" means any Interest Rate Hedge Transaction entered into by the Issuer or the Portfolio Manager on its behalf, pursuant to a Replacement Interest Rate Hedge Agreement.

"Report" means each Monthly Report and each Payment Date Report.

"Reporting Delegate" means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

"Reporting Delegation Agreement" means an agreement in a form approved by the Rating Agencies for the delegation by the Issuer of certain derivative transaction reporting obligations to one or more Reporting Delegates.

"Resolution" means any Ordinary Resolution or Extraordinary Resolution.

"Restricted Period" means the period from the Issue Date to (and including) the date falling 40 calendar days after the Issue Date.

"Restructured Obligation" means a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or a change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date.

"Restructured Obligation Criteria" means the restructured obligation criteria specified in the Portfolio Management Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"Restructuring Date" means the date a restructuring of a Collateral Debt Obligation becomes binding on the holders thereof provided that if an obligation satisfies the Restructured Obligation Criteria at a later date, such later date shall be deemed to be the Restructuring Date for the purposes of determining whether such obligation shall constitute a Restructured Obligation.

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

- (a) the UK is no longer within the scope of MiFID; and
- (b) a passporting regime or third country recognition of the UK is not in place,

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

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

"Retention Deficiency" means, as of any date of determination, an event which occurs if the Principal Amount Outstanding of Subordinated Notes (as of the Issue Date) held by the Retention Holder multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder on the Original Issue Date is less than 5 per cent. of the Aggregate Collateral Balance and the EU Retention Requirements are not or would not be complied with as a result.

"Retention Holder" means Investcorp Credit Management EU Limited in its capacity as retention holder in accordance with the Risk Retention Letter and any successor, assign or transferee, to the extent permitted under the Risk Retention Letter and the EU Retention Requirements.

"Retention Requirements" means EU Retention Requirements and the U.S. Retention Rules.

"Revolving Collateral Obligation" means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Obligation) that (i) satisfies the requirements set forth in the Eligibility Criteria and (ii) is a loan (including, without limitation, a revolving loan, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms requires the Issuer to make one or more future advances to the borrower, provided that any such obligation, interest or security will be a "Revolving Collateral Obligation" only until all commitments to make advances to the borrower expire or are irrevocably terminated or reduced to zero.

"Revolving Reserve Account" means the account of the Issuer with the Account Bank into which amounts equal to the Unfunded Amounts in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and certain principal payments received in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations are paid.

"Risk Retention Letter" means the letter entered into between the Issuer, the Retention Holder, the Trustee, the Collateral Administrator and the Placement Agent dated on or about the Issue Date.

"Risk Retention U.S. Persons" means persons that are not "U.S. persons" as defined in the U.S. Retention Rules.

"Rule 144A" means Rule 144A of the Securities Act.

"Rule 144A Notes" means Notes offered for sale within the United States or to U.S. persons (as defined in Regulation S) in reliance on Rule 144A.

"Rule 17g-5" means Rule 17g-5 of the Exchange Act.

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

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

"S&P CDO Monitor Test" has the meaning given to it in the Portfolio Management Agreement.

"S&P Collateral Value" means for each Defaulted Obligation and Deferring Security as at the applicable Measurement Date, the lower of:

- (a) its prevailing Market Value; and
- (b) the relevant S&P Recovery Rate,

in each case, multiplied by its Principal Balance.

"S&P Matrix" has the meaning given to it in the Portfolio Management Agreement.

"S&P Minimum Rated Average Recovery Rate Test" has the meaning given to it in the Portfolio Management Agreement.

"S&P Rating" has the meaning given to it in the Portfolio Management Agreement.

"S&P Recovery Rate" means in respect of any Collateral Debt Obligation, the S&P recovery rate determined in accordance with the Portfolio Management Agreement.

"Sale Proceeds" means:

- (a) all proceeds received upon the sale of any Collateral Debt Obligation (save for any Asset Swap Obligation), Collateral Enhancement Obligation or Exchanged Security excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Portfolio Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) proceeds representing interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds representing deferred interest received in respect

of any PIK Security; or (iv) proceeds representing interest received in respect of any Defaulted Obligation other than Defaulted Obligation Excess Amounts; and

- (b) in the case of any Asset Swap Obligation, all amounts in Euro (or other currencies if applicable) payable to the Issuer by the applicable Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (a) above under the related Hedge Transaction (and for the avoidance of doubt after increasing such amount by any Asset Swap Counterparty Termination Payment (without regard to the exclusion of unpaid amounts set forth in the definition thereof) and reducing such amount by any Asset Swap Issuer Termination Payment),

in each case net of any amounts expended by or payable by the Issuer or the Collateral Administrator (on behalf of the Issuer) in connection with the sale, disposition or termination of such Collateral Debt Obligation and, where applicable, converted into Euro at the Applicable Exchange Rate.

"Scheduled Payment Date" has the meaning given to it in the definition of "Payment Date".

"Scheduled Periodic Asset Swap Counterparty Payment" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not the principal) scheduled to be paid to the Issuer by the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction (for the avoidance of doubt excluding any Asset Swap Counterparty Principal Exchange Amounts and any Asset Swap Counterparty Termination Payments).

"Scheduled Periodic Asset Swap Issuer Payment" means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not the principal) scheduled to be paid by the Issuer to the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction (for the avoidance of doubt excluding any Asset Swap Issuer Termination Payments and any Asset Swap Issuer Principal Exchange Amounts).

"Scheduled Periodic Interest Rate Hedge Counterparty Payment" means, with respect to any Interest Rate Hedge Transaction, the amount scheduled to be paid to the Issuer by the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Interest Rate Hedge Transaction (for the avoidance of doubt excluding any Interest Rate Hedge Counterparty Termination Payment).

"Scheduled Periodic Interest Rate Hedge Issuer Payment" means, with respect to any Interest Rate Hedge Transaction, the amount scheduled to be paid to the applicable Interest Rate Hedge Counterparty by the Issuer pursuant to the terms of such Interest Rate Hedge Transaction (for the avoidance of doubt excluding any Interest Rate Hedge Issuer Termination Payments).

"Scheduled Principal Proceeds" means:

- (a) in the case of any Collateral Debt Obligation, save for any Asset Swap Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments); and
- (b) in the case of any Asset Swap Obligation, Asset Swap Counterparty Principal Exchange Amounts payable to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction.

"Second Lien Loan" means an obligation (other than a Senior Secured Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payments of a debt or fulfilment or a contractual obligation.

"Secured Party" means each of the Class X-R Noteholders, the Class A-R Noteholders, the Class B-R Noteholders, the Class C-R Noteholders, the Class D-R Noteholders, the Class E-R Noteholders, the Class F-R Noteholders, the Subordinated Noteholders, the Placement Agent, the Portfolio Manager, the Retention Holder, the Collateral Administrator, the Trustee, any Reporting Delegate, any Receiver appointed by the Trustee or other Appointee, the Agents, the Issuer Corporate Services Provider and each Hedge Counterparty and **"Secured Parties"** means any two or more of them as the context so requires.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Selling Institution" means an institution which satisfies the applicable Rating Requirement from whom a Participation is granted.

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

"Senior Expenses Cap" means, in respect of each Due Period, the sum of:

- (a) €300,000 per annum (pro rated for such Due Period on the basis of a 360 day year comprised of twelve 30-day months); and
- (b) 0.02 per cent. per annum (pro rated for such Due Period on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the aggregate amount of Trustee Fees and Expenses and Administrative Expenses paid on each Payment Date in the calendar year ending on the relevant Payment Date (including the Payment Date falling one calendar year prior to the relevant Payment Date), and during each related Due Period (including the Due Period relating to the relevant Payment Date), is less than the Senior Expenses Cap (determined on a per annum basis), the amount of such shortfall will be added to the Senior Expenses Cap with respect to the then relevant Payment Date. For the avoidance of doubt, any such amount may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"Senior Portfolio Management Fee" means the fee payable to the Portfolio Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Portfolio Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.10 per cent. per annum (calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually on the basis of a 360-day year comprised of twelve 30-day months) of the Average Aggregate Collateral Balance (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value).

"Senior Secured Bond" means a Collateral Debt Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Senior Secured Loan) as determined by the Portfolio Manager in accordance with its Standard of Care, 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 100 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and
- (b) and no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation has been obtained).

"Senior Secured Loan" means a Collateral Debt Obligation (which may be a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation) that is a senior secured loan obligation as determined by the Portfolio Manager in accordance with its Standard of Care, or a Participation therein, provided that:

- (a) (i) it is secured (1) by fixed assets of the Obligor thereof if and to the extent a pledge of fixed assets is permissible under applicable law (save in the case of assets so numerous or diverse that the failure to take such security is consistent with reasonable secured

lending practices), and otherwise (2) by 100 per cent. of the equity interests in the stock of any entity owning such fixed assets; and

- (ii) no other obligation of the Obligor has any higher priority security interest in such fixed assets or stock referred to in paragraph (i) above, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation has been obtained); or

- (b) it is a Senior Secured U.S. Loan.

"Senior Secured U.S. Loan" means a Collateral Debt Obligation that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other indebtedness of the obligor of the loan (other than with respect to liquidation, trade claims, capitalised leases or similar obligations); (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the obligor's indebtedness under the loan; (c) the value of the collateral securing the indebtedness at the time of purchase together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Portfolio Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral; and (d) is not secured solely or primarily by common stock or other equity interests; provided that the limitation set forth in this clause (d) shall not apply with respect to a loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the indebtedness secured is such loan or any other similar type of indebtedness owing to third parties).

"Similar Law" means any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

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

"Solvency II Retention Requirements" means Articles 254 and 256 of the Delegated Regulation (EU) 2015/35, supplementing Solvency II, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union, provided that references to Solvency II Retention Requirements shall be deemed to include any successor or replacement provisions of Articles 254 and 256 included in any European Union directive or regulation subsequent to Solvency II or the Commission Delegated Regulation (EU) 2015/35.

"Special Redemption" has the meaning given to it in Condition 7(e) (*Special Redemption*).

"Special Redemption Amount" has the meaning given to it in Condition 7(e) (*Special Redemption*).

"Special Redemption Date" has the meaning given to it in Condition 7(e) (*Special Redemption*).

"Spot Rate of Exchange" means in relation to any exchange of non-Euro denominated proceeds, the prevailing market spot rate, in each case determined by the Collateral Administrator.

"Standard of Care" has the meaning given to it in the Portfolio Management Agreement.

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

"**Sterling**" and "£" shall mean the lawful currency of the United Kingdom.

"**STS Designated Person**" means the Issuer or, if the Issuer is not notified pursuant to Condition 4(e) (*Information regarding the Collateral*), such other person as agrees with the Portfolio Manager to accept responsibility for the additional reporting requirements under the STS Regulation.

"**STS Regulation**" shall mean the proposed regulation of the European Union relating to a European framework for simple, transparent and standardised securitisation including any implementing regulation, technical standards and official guidance related thereto.

"**Subordinated Noteholders**" means the holders of the Subordinated Notes from time to time.

"**Subordinated Portfolio Management Fee**" means the fee payable to the Portfolio Manager in arrear on each Payment Date in respect of the immediately preceding Due Period pursuant to the Portfolio Management Agreement equal to 0.40 per cent. per annum (calculated quarterly, or, following the occurrence of a Frequency Switch Event, semi-annually on the basis of a 360-day year comprised of twelve 30-day months) of the Average Aggregate Collateral Balance, as determined by the Collateral Administrator (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value).

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased out of Principal Proceeds (or Interest Proceeds pursuant to paragraph (U) of the Interest Proceeds Priority of Payments or for which the redemption proceeds thereof are rolled as consideration for a new obligation (including by way of a "cashless roll") at the election of the Portfolio Manager) pursuant to the terms of the Portfolio Management Agreement and which satisfies both the Eligibility Criteria and was acquired in compliance with the Reinvestment Criteria (as applicable) at the time of the entry by the Issuer (or the Portfolio Manager on the Issuer's behalf) of a binding commitment to purchase such Collateral Debt Obligation.

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Hedge Counterparty to the Issuer or a reduced payment from the Issuer to the Hedge Counterparty.

"**Swapped Non-Discount Obligation**" means, as determined by the Portfolio Manager, any Collateral Debt Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Debt Obligation that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Debt Obligation is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Debt Obligation; provided that to the extent the Aggregate Principal Balance of Swapped Non-Discount Obligations exceeds 10 per cent. of the Aggregate Collateral Balance, such excess will not constitute Swapped Non-Discount Obligations; and provided further that such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation (and shall not constitute a Discount Obligation) at such time as the Market Value for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds (i) for a Floating Rate Collateral Debt Obligation, 90 per cent. or (ii) for all other Collateral Debt Obligations, 85 per cent.

"**Target Par Amount**" means €300,000,000.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Trading Gains**" means, in respect of any Collateral Debt Obligation which is repaid, prepaid, redeemed or sold, any excess of (a) the Principal Proceeds or Sale Proceeds received in respect thereof over (b) the Principal Balance thereof (where for such purpose "Principal Balance" shall be determined as set out in the definition of Aggregate Collateral Balance for the purposes of compliance with the EU Retention Requirements), in each case net of (i) any expenses incurred in connection with any repayment, prepayment, redemption or sale thereof, and (ii) in the case of a sale of such Collateral Debt Obligation, any interest accrued but not paid thereon which has not been capitalised as principal and included in the sale price thereof.

"Transaction Documents" means the Trust Deed (including these Conditions), the Agency Agreement, the Portfolio Management Agreement, the Placement Agency Agreement, the Euroclear Pledge Agreement, any Hedge Agreements, each Collateral Acquisition Agreement, the Risk Retention Letter, the Issuer Fees and Expenses Letter, any Reporting Delegation Agreement, each Note Purchase Agreement and the Issuer Corporate Services Agreement.

"Trustee Fees and Expenses" means the fees, costs and expenses and all other liabilities (including by way of indemnity) (including, without limitation, legal fees), together with VAT thereon, and other amounts payable to the Trustee or any other agent, delegate or appointee thereof pursuant to the Trust Deed and/or these Conditions from time to time.

"Underlying Instrument" means the agreements or instruments pursuant to which a Collateral Debt Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Debt Obligation or under which the holders or creditors under such Collateral Debt Obligation are the beneficiaries.

"Unfunded Amount" means, with respect to any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

"Unhedged Fixed Rate Collateral Debt Obligation" means a Fixed Rate Collateral Debt Obligation (other than a Non-Euro Obligation), the Aggregate Principal Balance of which exceeds the notional amount of any Interest Rate Hedge Transactions that are interest rate swaps whereby the Issuer pays a series of fixed amounts in exchange for a series of payments determined on the basis of EURIBOR plus an applicable spread.

"Unpaid Class X-R Amortisation Amount" means, for any Payment Date, the aggregate amount of all or any portion of the Class X-R Principal Amortisation Amount for any prior Payments Dates that were not paid on such prior Payment Dates.

"Unscheduled Payment Date" has the meaning given to it in Condition 3(j)(xii) (*Unscheduled Payment Dates*).

"Unscheduled Principal Proceeds" means:

- (a) with respect to any Collateral Debt Obligation (other than an Asset Swap Obligation), principal repayments prior to the Stated Maturity thereof received as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Debt Obligation), recoveries on Defaulted Obligations (to the extent not included in Sale Proceeds) and any other principal repayments with respect to Collateral Debt Obligations (to the extent not included in Sale Proceeds); and
- (b) in the case of any Asset Swap Obligation, the Asset Swap Counterparty Principal Exchange Amount payable in respect of the amounts referred to in (a) above pursuant to the related Asset Swap Transaction, together with any Asset Swap Counterparty Termination Payments (without regard to the exclusion of unpaid amounts\ set forth in the definition thereof) less any Asset Swap Issuer Termination Payments in each case payable under the related Asset Swap Transaction.

"Unsecured Senior Obligation" means a Collateral Debt Obligation that:

- (a) is an obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Portfolio Manager in its reasonable business judgment; and
- (b) is not secured:
 - (i) by assets of the Obligor or guarantor thereof if and to the extent that the granting or securing over assets is permissible under applicable law; or

- (ii) by 100 per cent. of the equity interests in the shares of an entity owning such fixed assets.

"U.S. Dollar" "U.S. Dollar" "U.S. dollar", "U.S.D" or "\$" shall mean the lawful currency of the United States of America.

"U.S. Retention Rules" means Section 15G of the Exchange Act as amended from time to time and the joint final rules promulgated thereunder.

"U.S. Risk Retention Waiver" means a waiver provided by the Portfolio Manager to a Noteholder on or prior to the Issue Date that is a Risk Retention U.S. Person which permits a Risk Retention U.S. Person to purchase Notes.

"U.S. Risk Retention Transfer Restriction" means the condition that (a) on the Issue Date the Refinancing Notes may not be purchased by any person except for (i) persons that are not Risk Retention U.S. Persons or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager, and (b) during the Restricted Period, the Notes may not be transferred to any person except for (i) persons that are not Risk Retention U.S. Persons, or (ii) persons that have obtained a U.S. Risk Retention Waiver from the Portfolio Manager.

"VAT" means:

- (a) any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to Ireland, value added tax imposed by Value-Added Tax Consolidation Act 2010 and supplemental legislation and regulations and, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations); and
- (b) any other tax, interest or penalties of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

"Volcker Rule" means Section 619 of the Dodd-Frank Act as implemented by 12 C.F.R. 248.

"Weighted Average Life Test" has the meaning given to it in the Portfolio Management Agreement.

"Weighted Average Spread" has the meaning given to it in the Portfolio Management Agreement.

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

2. **Form and Denomination, Title and Transfer**

(a) ***Form and Denomination***

The Notes of each Class may be issued in (i) global, certificated, fully registered form, without interest coupons, talons and principal receipts attached or (ii) definitive, certificated, fully registered form, without interest coupons, talons or principal receipts attached, in each case in the applicable Authorised Denomination. A Global Certificate or a Definitive Certificate (as applicable) will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar. An up-to-date copy of the Register shall be kept at the registered office of the Issuer.

(b) ***Title to the Registered Notes***

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any

Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder. A duplicate copy of the Register shall be kept at the registered office of the Issuer. In case of inconsistency between the duplicate copy of the Register kept at the registered office of the Issuer and the Register kept by the Registrar, the duplicate copy of the Register at the registered office of the Issuer shall prevail. The Issuer shall procure that at all times the Register (or any entire counterpart thereof) is kept and maintained outside the UK.

(c) ***Transfer***

In respect of Notes represented by a Definitive Certificate, one or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

(d) ***Delivery of New Certificates***

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing Definitive Certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) ***Transfer Free of Charge***

Transfer of Notes and Global Certificates or Definitive Certificates (as applicable) representing such Notes in accordance with these Terms and Conditions on registration or transfer will be effected without charge to Noteholders by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) ***Closed Periods*** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) ***Regulations Concerning Transfer and Registration***

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including, without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the

Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) ***Forced Transfer of Rule 144A Notes***

If the Issuer determines at any time that a U.S. Noteholder is a Non-Permitted Holder, the Issuer may direct such holder to sell or transfer its Notes outside the United States to a non-U.S. person (as defined in Regulation S) or within the United States to a U.S. person (as defined in Regulation S) that is a QIB/QP within 30 days following receipt of such notice. If such holder fails to sell or transfer its Rule 144A Notes within such period, such holder may be required by the Issuer to sell such Rule 144A Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Rule 144A Notes and selling such Rule 144A Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in the Rule 144A Notes agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein, and neither the Issuer nor the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. person (as defined in Regulation S). 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 (as defined in Regulation S). 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 (in each case as defined in Regulation S) that is a QIB/QP.

(i) ***Forced sale pursuant to FATCA***

The Issuer intends to comply with FATCA and expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners.

The Issuer may force the sale of a Noteholder's Notes in order to comply with FATCA, including Notes held by a Noteholder that fails to provide the required information or if the Issuer otherwise reasonably determines that a Noteholder's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to comply with FATCA (and such sale could be for less than its then fair market value). For these purposes, the Issuer shall have the right to sell a Noteholder's interest in its Notes in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. If the Issuer is required to force such sale, the Issuer shall require the Noteholder to sell its Notes to a purchaser selected by the Issuer on such terms as the Issuer may choose, subject to the transfer restrictions set out herein. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the Noteholder to the Noteholder whose Notes are being transferred, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling

Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out herein, and neither the Issuer nor the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to provide any information required under FATCA.

(j) ***Forced Transfer pursuant to ERISA***

If any Noteholder is determined by the Issuer to be a Noteholder who is a Non-Permitted ERISA Holder, the Non-Permitted ERISA Holder may be required by the Issuer to sell or otherwise transfer its Notes to an eligible purchaser at a price to be agreed between the Issuer and such eligible purchaser at the time of sale within 10 days of the date it receives notice from the Issuer to do so, subject to the transfer restrictions set out in the Trust Deed. If such Non-Permitted ERISA Holder fails to effect the transfer required within the 10 day period (a) the Issuer shall direct, for so long as the Notes are in global form, Euroclear and Clearstream, Luxembourg or, for so long as the Notes are in definitive form, the Transfer Agent, on behalf of and at the expense of the Issuer, to cause the transfer of such Noteholder's interest in its Notes to be transferred to a person or entity that certifies in writing, in connection with such transfer that it is not a Non-Permitted ERISA Holder, and (b) pending such transfer no further payments will be made in respect of such beneficial interest. Each Noteholder and each other Person in the chain of title from the Non-Permitted ERISA Holder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

(k) ***Forced Transfer pursuant to U.S. Retention Rules***

If any Noteholder is determined by the Issuer to be a Non-Permitted U.S. Risk Retention Holder, the Non-Permitted U.S. Risk Retention Holder will 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. 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 U.S. Risk Retention Holder will receive the balance, if any.

(l) ***PM Voting Notes and PM Non-Voting Notes***

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

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

PM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into PM Non-Voting Exchangeable Notes or PM Non-Voting Notes. PM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the

relevant Holder at any time into PM Non-Voting Notes or (b) into PM Voting Notes only in connection with the transfer of such Rated Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. PM Non-Voting Notes shall not be exchangeable at any time into PM Voting Notes or PM Non-Voting Exchangeable Notes.

Any such right to exchange a Class A-R Note, Class B-R Note, Class C-R Note or Class D-R Note, as described and subject to the limitations set out in the immediately prior paragraph, may be exercised by a Noteholder holding a Definitive Certificate or a beneficial interest in a Global Certificate delivering to the Registrar or a Transfer Agent a duly completed exchange request substantially in the form provided in the Trust Deed.

3. **Status**

(a) ***Status***

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) ***Relationship Among the Classes***

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on each Class of Notes will be subordinated to payments of interest on each Class of Notes (if any) ranking in priority thereto pursuant to the Priorities of Payment and payments of principal on each Class of Notes will be subordinated to payments of principal on each Class of Notes (if any) ranking in priority thereto pursuant to the Priorities of Payment. Notwithstanding the foregoing, in the circumstances described below, payment of interest on a more junior ranking Class of Notes may be paid prior to payment of principal on a Class of Notes ranking senior in priority thereto as a result of the operation of the Priorities of Payment.

(c) ***Priorities of Payment***

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator pursuant to the terms of the Portfolio Management Agreement on each Determination Date), on behalf of the Issuer and in consultation with the Portfolio Manager (i) on each Payment Date prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) (ii) following such acceleration of the Notes which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an Optional Redemption in whole under Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*), cause the Account Bank to disburse Interest Proceeds, Principal Proceeds and Collateral Enhancement Obligation Proceeds (other than the amount of any Swap Tax Credits received by the Issuer in the related Due Period which shall be paid out of the Interest Account to the relevant Hedge Counterparty as provided outside the Priorities of Payment) transferred to the Payment Account on the second Business Day prior thereto, in accordance with the following Priorities of Payment. For the avoidance of doubt, Collateral Enhancement Obligation Proceeds are to be distributed initially, followed by Interest Proceeds and then followed by Principal Proceeds.

(i) ***Application of Interest Proceeds***

Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

- (A) in payment on a *pro rata* basis of:

- (1) taxes or statutory fees owing by the Issuer (other than any Irish corporation tax payable in relation to the Issuer Profit referred to in (2) below) and certified as such by a director of the Issuer due in respect of the related Due Period (save for any VAT or any other tax payable in relation to any amount payable to the Secured Parties); and
 - (2) the Issuer Profit (which may be used by the Issuer to satisfy any corporation tax payable thereon);
- (B) in payment on a *pro rata* basis of due and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; provided that following the occurrence of a Note Event of Default, the Senior Expenses Cap shall not apply;
- (C) in payment:
 - (1) *firstly*, of due and unpaid Administrative Expenses (in the order of priority specified in the definition thereof) up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid under paragraph (B) above; and
 - (2) *secondly*, except on the Payment Date on which the Subordinated Notes are to be redeemed in full, of an amount equal to the lesser of (i) €100,000 and (ii) the Senior Expenses Cap in respect of the related Due Period less any amounts paid under paragraph (B) and paragraph (C)(1) above, into the Expense Reserve Account;
- (D) to the payment of any accrued and unpaid Senior Portfolio Management Fee due and payable but not paid pursuant to this paragraph (D) on any prior Payment Date plus any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and, thereafter, to the payment of any Senior Portfolio Management Fee plus the payment of any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) due and payable on such Payment Date;
- (E) to the payment on a *pro rata and pari passu* basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments due and payable (to the extent not already paid out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments due and payable (to the extent not already paid out of the Non-Euro Account) and Hedge Issuer Termination Payments due and payable (other than Defaulted Interest Rate Hedge Issuer Termination Payments and Defaulted Asset Swap Issuer Termination Payments) (in each case to the extent not already paid out of the Interest Rate Hedge and Asset Swap Termination Receipt Account or the Interest Account);
- (F) to the payment on a *pro rata and pari passu* basis of (i) *pro rata and pari passu*, (a) the Interest Amounts due and payable on the Class X-R Notes in respect of the Accrual Period ending on such Payment Date, (b) the Class X-R Principal Amortisation Amount due and payable on such Payment Date and (c) any Unpaid Class X-R Principal Amortisation Amount as of such Payment Date, and (ii) the Interest Amounts due and payable on the Class A-R Notes in respect of the Accrual Period ending immediately prior to such Payment Date and all other Interest Amounts due and payable on such Class A-R Notes;
- (G) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class B-R Notes in respect of the Accrual Period

ending immediately prior to such Payment Date and all other Interest Amounts due and payable on such Class B-R Notes;

- (H) if either of the Class A-R/B-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A-R/B-R Coverage Test to be satisfied if recalculated immediately following such redemption;
- (I) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class C-R Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (J) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class C-R Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (K) if either of the Class C-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C-R Coverage Test to be met if recalculated immediately following such redemption;
- (L) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class D-R Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (M) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class D-R Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (N) if either of the Class D-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D-R Coverage Test to be met if recalculated immediately following such redemption;
- (O) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class E-R Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (P) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class E-R Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (Q) if either of the Class E-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E-R Coverage Test to be met if recalculated immediately following such redemption;
- (R) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class F-R Notes in respect of the Accrual Period ending immediately prior to such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

- (S) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class F-R Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (T) if the Class F-R Par Value Test is not satisfied on any Determination Date following 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 the Class F-R Par Value Test to be met if recalculated immediately following such redemption;
- (U) during the Reinvestment Period if, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (T) above, the Additional Reinvestment Test is not satisfied on the applicable Determination Date, an amount (the "**Required Diversion Amount**") equal to the lower of (x) 50 per cent. of the remaining Interest Proceeds; and (y) the amount which, after giving effect to the payment to the Principal Account or the redemption of the Notes pursuant to this paragraph (U), would be sufficient to cause the Additional Reinvestment Test to be satisfied if recalculated immediately following such payment or redemption, shall be deposited in the Principal Account as Principal Proceeds for investment in Substitute Collateral Debt Obligations or shall be used to redeem the Notes in accordance with Condition 7(e) (*Special Redemption*) (if the Portfolio Manager determines in its discretion that it is unable to obtain such additional Collateral Debt Obligations that it considers appropriate for investment);
- (V) in payment of any due and unpaid Trustee Fees and Expenses to the extent not paid pursuant to paragraph (B) above by reason of the Senior Expenses Cap;
- (W) in payment, in the order of priority specified in the definition thereof, of any due and unpaid Administrative Expenses to the extent not paid pursuant to paragraph (C)(1) above by reason of the Senior Expenses Cap;
- (X) to the payment on a *pro rata* basis of any Defaulted Interest Rate Hedge Issuer Termination Payments and any Defaulted Asset Swap Issuer Termination Payments due to any Hedge Counterparty (and to the extent not previously paid out of the Interest Rate Hedge and Asset Swap Termination Receipt Account);
- (Y) in payment to the Portfolio Manager of any accrued and unpaid Subordinated Portfolio Management Fee due and payable but not paid pursuant to this paragraph (Y) or paragraph (S) of the Principal Proceeds Priority of Payments on any prior Payment Date plus any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant taxing authority) and plus any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement, until such amount has been paid in full and thereafter in payment to the Portfolio Manager of the Subordinated Portfolio Management Fee (plus any VAT in respect thereof whether payable to the Portfolio Manager or directly to the relevant taxing authority) due and payable on such Payment Date, except that the Portfolio Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Portfolio Manager under this paragraph (Y) (any such amounts referred to in (y) being "**Deferred Subordinated Portfolio Manager Amounts**") on any Payment Date provided that any such amount in the case of (x) shall (a) be deposited in the Principal Account and used to purchase Substitute Collateral Debt Obligations (provided such deposit or purchase would not cause a Retention Deficiency) and (b) not be treated as unpaid for the

purposes of this paragraph (Y), and in the case of (y), such Deferred Subordinated Portfolio Manager Amounts shall be applied to the payment of amounts in accordance with paragraphs (Z) through (BB) below, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied (and for the avoidance of doubt such amounts shall be treated as unpaid and shall bear interest in accordance with the Portfolio Management Agreement);

- (Z) to the extent not paid out of Collateral Enhancement Obligation Proceeds pursuant to Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*) or the balance standing to the credit of the Collateral Enhancement Account, and provided there is no balance standing to the credit of the Collateral Enhancement Account, to the repayment of any Portfolio Manager Advances together with any accrued interest thereon, provided that on the first Payment Date only, payments made under this paragraph (Z) and paragraph (AA) below, shall not exceed €200,000 in aggregate;
- (AA) at the discretion of the Portfolio Manager to the payment into the Collateral Enhancement Account up to a maximum aggregate amount (taking into account all payments to the Collateral Enhancement Account on any prior Payment Date less any payments previously made into the Interest Account from the Collateral Enhancement Account) of €1,000,000, provided that on the first Payment Date only, payments made under this paragraph (AA) and paragraph (Z) above shall not exceed €200,000 in aggregate;
- (BB)
 - (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and
 - (2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):
 - (a) *firstly*, 20 per cent. of any remaining Interest Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;
 - (b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and
 - (c) *thirdly*, any remaining Interest Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of

the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any amount on account of any: (i) withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any tax authority; or (ii) other tax is payable in respect of any payment made under this Condition 3(c)(i) (*Application of Interest Proceeds*), such amount shall be paid to the relevant tax or other governmental authority or the relevant Secured Party entitled to it (as the case may be) at such time as the relevant payment under this Condition 3(c)(i) (*Application of Interest Proceeds*) is made.

(ii) ***Application of Principal Proceeds***

Principal Proceeds in respect of a Due Period shall be paid on 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 (G) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;
- (B) if either of the Class A-R/B-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A-R/B-R Coverage Test to be satisfied if recalculated immediately following such redemption but only to the extent not paid in accordance with paragraph (H) of the Interest Priority of Payments;
- (C) if either of the Class C-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C-R Coverage Test to be satisfied if recalculated immediately following such redemption but only to the extent not paid in accordance with paragraph (K) of the Interest Priority of Payments;
- (D) if either of the Class D-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D-R Coverage Test to be satisfied if recalculated immediately following such redemption but only to the extent not paid in accordance with paragraph (N) of the Interest Priority of Payments;
- (E) if either of the Class E-R Coverage Tests is not satisfied on any Determination Date, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E-R Coverage Test to be satisfied if recalculated immediately following such redemption but only to the extent not paid in accordance with paragraph (Q) of the Interest Priority of Payments;
- (F) if the Class F-R Par Value Test is not satisfied on any Determination Date following 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 the Class F-R Par Value Test to be satisfied if recalculated immediately following such redemption but only to the extent not paid in accordance with paragraph (T) of the Interest Priority of Payments;
- (G) to the payment of the amounts referred to in paragraph (I) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C-R Notes are the Controlling Class;

- (H) to the payment of the amounts referred to in paragraph (J) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C-R Notes are the Controlling Class;
- (I) to the payment of the amounts referred to in paragraph (L) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D-R Notes are the Controlling Class;
- (J) to the payment of the amounts referred to in paragraph (M) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D-R Notes are the Controlling Class;
- (K) to the payment of the amounts referred to in paragraph (O) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E-R Notes are the Controlling Class;
- (L) to the payment of the amounts referred to in paragraph (P) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class E-R Notes are the Controlling Class;
- (M) to the payment of the amounts referred to in paragraph (R) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F-R Notes are the Controlling Class;
- (N) to the payment of the amounts referred to in paragraph (S) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class F-R Notes are the Controlling Class;
- (O) at the election of the Portfolio Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date on a Special Redemption Date to redeem the Notes in accordance with the Note Payment Sequence;
- (P)
 - (1) during the Reinvestment Period, at the discretion of the Portfolio Manager, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Portfolio Management Agreement; and
 - (2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Improved Obligations and Credit Impaired Obligations at the discretion of the Portfolio Manager, to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date in each case in accordance with the Portfolio Management Agreement;
- (Q) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;
- (R) to the payment on a sequential basis of the amounts referred to in paragraphs (V) through (X) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

- (S) in payment to the Portfolio Manager of any accrued and unpaid Subordinated Portfolio Management Fee due and payable but not paid pursuant to this paragraph (S) or paragraph (Y) of the Interest Proceeds Priority of Payments on any prior Payment Date plus any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and plus any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement, until such amount has been paid in full and thereafter in payment to the Portfolio Manager of the Subordinated Portfolio Management Fee (plus any VAT in respect thereof whether payable to the Portfolio Manager or directly to the relevant tax authority) due and payable on such Payment Date to the extent not paid in full under paragraph (Y) of the Interest Proceeds Priority of Payments, except that the Portfolio Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Portfolio Manager under this paragraph (S) (any such amounts referred to in (y) being "**Deferred Subordinated Portfolio Manager Amounts**") on any Payment Date provided that any such amount in the case of (x) shall (a) be deposited in the Principal Account and be used to purchase Substitute Collateral Debt Obligations (provided such deposit or purchase would not cause a Retention Deficiency) and (b) not be treated as unpaid for the purposes of this paragraph (S), or in the case of (y), such Deferred Subordinated Portfolio Manager Amounts shall be applied to the payment of amounts in accordance with paragraphs (Z) through (AA) of the Interest Proceeds Priority of Payments, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied (and for the avoidance of doubt such amounts shall be treated as unpaid and shall bear interest in accordance with the Portfolio Management Agreement); and
- (T) (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Principal Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and
- (2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date including in accordance with the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, the Incentive Management Fee IRR Threshold has been reached (on or prior to such Payment Date):
- (a) *firstly*, 20 per cent. of any remaining Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;
 - (b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant taxing authority); and
 - (c) *thirdly*, any remaining Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal

amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any amount on account of any: (i) withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any tax authority; or (ii) other tax is payable in respect of any payment made under this Condition 3(c)(ii) (*Application of Principal Proceeds*), such amount shall be paid to the relevant tax or other governmental authority or the relevant Secured Party entitled to it (as the case may be) at such time as the relevant payment under this Condition 3(c)(ii) (*Application of Principal Proceeds*) is made.

(iii) ***Application of Collateral Enhancement Obligation Proceeds***

Collateral Enhancement Obligation 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) *firstly*, to the Portfolio Manager if a Portfolio Manager Advance has been made and is outstanding, such amount of any Collateral Enhancement Obligation Proceeds as is required to repay such Portfolio Manager Advance together with any interest accrued thereon in accordance with the Portfolio Management Agreement unless designated otherwise by the Portfolio Manager; and
- (B) *secondly*, at the discretion of the Portfolio Manager (and to the extent that any such application by payment to the Principal Account would not cause a Retention Deficiency) for application in accordance with the Principal Proceeds Priority of Payments on the relevant Payment Date or for retention in the Collateral Enhancement Account.

(d) ***Non-payment of Amounts***

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Rated Notes pursuant to Condition 6 (*Interest*) and the Interest Proceeds Priority of Payments by reason solely that there are insufficient funds standing to the credit of the Payment Account shall not be a Note Event of Default unless and until:

- (i) such failure continues for a period of at least five Business Days; and
- (ii) in respect of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, such non-payment of interest in respect of a Payment Date on or after a Payment Date immediately following a Frequency Switch Event; and
 - (A) in the case of non-payment of interest due and payable on the Class C-R Notes in respect of any Payment Date on or after the Payment Date following the occurrence of a Frequency Switch Event (the "**Relevant Payment Date**"), the Class B-R Notes, the Class A-R Notes and the Class X-R Notes have been redeemed in full;
 - (B) in the case of non-payment of interest due and payable on the Class D-R Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes and the Class C-R Notes have been redeemed in full;
 - (C) in the case of non-payment of interest due and payable on the Class E-R Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes,

the Class C-R Notes and the Class D-R Notes have been redeemed in full; and

- (D) in the case of non-payment of interest due and payable on the Class F-R Notes in respect of any Payment Date on or after the Relevant Payment Date, the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes have been redeemed in full,

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

Failure to pay scheduled interest on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes or the Class F-R Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds, where such Class of Notes is not the Controlling Class or no Frequency Switch Event has occurred, will not be a Note Event of Default.

Failure on the part of the Issuer to pay interest and principal amounts on the Subordinated Notes as a result of the insufficiency of available Interest Proceeds or Principal Proceeds shall not at any time constitute a Note Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes or the Class F-R Notes, to Condition 6(c) (*Deferral of Interest*) and save in respect of any Subordinated Portfolio Management Fee deemed to have been paid in accordance with the Interest Proceeds Priority of Payments or the Principal Proceeds Priority of Payments, in the event of non-payment of any amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments, on any Payment Date such amounts shall remain due and shall be payable on each subsequent Payment Date in accordance with the Priorities of Payment. References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3(d) (*Non-payment of Amounts*) shall include any amounts thereof not paid when due in accordance with this Condition 3(d) (*Non-payment of Amounts*) on any preceding Payment Date.

(e) ***Determination and Payment of Amounts***

The Collateral Administrator will, in consultation with the Portfolio Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payment and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the second Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account and, if applicable, the Interest Account and the Collateral Enhancement Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Collateral Enhancement Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) ***De Minimis Amounts***

The Collateral Administrator may, in consultation with the Portfolio Manager, adjust the amounts required to be applied in payment of principal on the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R 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 X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R

Note, Class E-R Note, Class F-R Note and Subordinated Note is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) ***Publication of Amounts***

The Collateral Administrator will cause details as to the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent and the Registrar by no later than 11.00 am (London time) on the fifth Business Day following the applicable Determination Date and the Principal Paying Agent shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange as soon as possible after notification thereof to the Principal Paying Agent in accordance with the above but in no event later than (to the extent applicable) the third Business Day after the applicable Determination Date.

(h) ***Notifications to be Final***

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of the fraud, negligence or wilful misconduct of the Collateral Administrator) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(i) ***Accounts***

The Issuer shall, prior to the Issue Date, have established the following accounts with the Account Bank or the Custodian, as applicable:

- the Principal Account;
- the Interest Account;
- the Payment Account;
- the Interest Rate Hedge and Asset Swap Termination Receipt Account;
- the Non-Euro Account;
- the Collateral Enhancement Account;
- the Expense Reserve Account;
- the Revolving Reserve Account;
- the Collection Account;
- the Custody Account;
- each Counterparty Downgrade Collateral Account; and
- the Interest Smoothing Account,

in each case established by the Issuer with the Account Bank or the Custodian as applicable. Each of the Account Bank, the Custodian and the Principal Paying Agent shall at all times be a financial institution satisfying the Rating Requirement applicable thereto. If the Account Bank, the Custodian or the Principal Paying Agent, as the case

may be, at any time fails to satisfy the applicable Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank, Custodian or Principal Paying Agent, as the case may be, acceptable to the Trustee, which satisfies the applicable Rating Requirement is appointed within 30 calendar days in accordance with the provisions of the Agency Agreement.

Amounts standing to the credit of the Accounts (except for the Revolving Reserve Account, the Collection Account, the Payment Account, and any Counterparty Downgrade Collateral Account) from time to time may be invested by the Portfolio Manager on behalf of the Issuer in Eligible Investments and for the avoidance of doubt the Balance standing to the credit of any Account shall include any such Eligible Investments from time to time.

All interest accrued on the Balance standing to the credit of each of the Accounts from time to time (other than any Counterparty Downgrade Collateral Accounts and the Non-Euro Accounts) shall be paid into the Interest Account (to the extent applicable, following conversion thereof into Euros at the prevailing Spot Rate of Exchange), save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account, to the extent provided above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition are denominated in a currency which is not that in which the Account is denominated, the Portfolio Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate of Exchange.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Collateral Enhancement Account, (v) all interest accrued on the Accounts, (vi) each Counterparty Downgrade Collateral Account, (vii) the Interest Smoothing Account and (viii) the Non-Euro Account (to the extent designated as Interest Proceeds) 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 Interest Smoothing Account, the Collateral Enhancement Account, the Non-Euro Accounts (to the extent designated as Interest Proceeds) and, to the extent not required to be repaid to any Hedge Counterparty, as the case may be, each Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), following an acceleration of the Notes (which has not been rescinded and annulled in accordance with the Conditions), all amounts standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Account) (and to the extent applicable, following conversion thereof into Euro at the prevailing Spot Rate of Exchange), shall be transferred to the Payment Account on or before the Business Day prior to the applicable Redemption Date for application in accordance with the Post-Acceleration Priority of Payments.

Application of amounts in respect of Swap Tax Credits received by the Issuer shall be paid out of the Interest Account to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement without regard to the Priorities of Payment.

Application of amounts in respect of Counterparty Downgrade Collateral and any interest or distributions thereon or liquidation proceeds thereof shall be paid in

accordance with Condition 3(j)(vi) and the terms of the relevant Hedge Agreement without regard to the Priorities of Payment.

(j) ***Payments to and from the Accounts***

(i) ***Principal Account***

The Issuer (acting through the Collateral Administrator) will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof but in each case, if applicable, excluding any Trading Gains which are required to be paid into the Interest Account in accordance with Condition 3(j)(ii)(J) (*Interest Account*) below:

- (A) all principal payments received in respect of any Collateral Debt Obligation (save for any Asset Swap Obligations), including, without limitation:
 - (1) Scheduled Principal Proceeds;
 - (2) Unscheduled Principal Proceeds; and
 - (3) any other principal payments with respect to Collateral Debt Obligations (to the extent not included in the Sale Proceeds), but excluding any such payments received in respect of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation to the extent required to be paid into the Revolving Reserve Account;
- (B) all interest and other amounts received in respect of any Defaulted Obligation or any Defaulted Deferring Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts);
- (C) all amounts transferred to the Issuer from each Counterparty Downgrade Collateral Account in accordance with Condition 3(j)(vi) (*Counterparty Downgrade Collateral Account*);
- (D) all Refinancing Proceeds;
- (E) any Asset Swap Counterparty Principal Exchange Amount received by the Issuer under any Asset Swap Transaction;
- (F) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Debt Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Debt Obligation;
- (G) all fees and commissions received in connection with any Defaulted Obligation or the work-out or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);
- (H) all amendment and waiver fees, late payment fees, commitment fees (other than scheduled commitment fees received by the Issuer in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations) syndication fees and all other fees and commissions received in connection with any Collateral Debt Obligations, including, without limitation, upon purchase or sale thereof, in each case, to the extent not included in paragraph (F) above, provided that if at any time after the first anniversary of the Issue Date the Aggregate Collateral Balance (where for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their Fitch Collateral

Value and their S&P Collateral Value) equals or exceeds the Target Par Amount and the Collateral Quality Tests are satisfied, all or any part of such amounts may be paid into the Interest Account at the discretion of the Portfolio Manager, save to the extent received in respect of any Defaulted Obligation or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);

- (I) all Sale Proceeds received in respect of a Collateral Debt Obligation;
- (J) all distributions (other than in the nature of interest) and Sale Proceeds received in respect of Exchanged Securities;
- (K) all Purchased Accrued Interest;
- (L) all amounts representing the element of deferred interest in any payments received in respect of any PIK Security;
- (M) all amounts transferred to the Principal Account from any other Account pursuant to this Condition 3(j) (*Payments to and from the Accounts*);
- (N) any other amounts received in respect of the Collateral which are not required to be paid into another Account;
- (O) all amounts received pursuant to paragraph (U) or paragraph (Y) of Condition 3(c)(i) (*Application of Interest Proceeds*) or pursuant to paragraph (P) of Condition 3(c)(ii) (*Application of Principal Proceeds*) to be retained for the purposes of acquisition of Collateral Debt Obligations;
- (P) all amounts received in respect of the issuance of additional Notes pursuant to Condition 17 (*Additional Issuances*); and
- (Q) cash amounts (representing any excess standing to the credit of each Non-Euro Account after provisioning by the Portfolio Manager for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) transferred from the Non-Euro Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, converted into Euro at the prevailing Spot Rate of Exchange.

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

- (1) on the second Business Day prior to each Payment Date, all amounts standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Proceeds Priority of Payments, save for:
 - (a) amounts deposited after the end of the related Due Period; and
 - (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Portfolio Manager (on behalf of the Issuer) pursuant to the Portfolio Management Agreement for a period beyond such Payment Date, provided such amounts are not required to be used to pay any amount due and payable in accordance with the Principal Proceeds Priority of Payments or to settle acquisitions for which the Issuer (or the Portfolio Manager acting on its behalf) has

entered into binding commitments to purchase but which have not yet settled;

- (2) at any time in accordance with the terms of, and to the extent permitted under, the Portfolio Management Agreement, in the acquisition of Collateral Debt Obligations including any accrued interest thereon designated to be purchased with Principal Proceeds and any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction and in respect of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation any payments to the Revolving Reserve Account in accordance with Condition 3(j)(ix) (*Revolving Reserve Account*);
- (3) on any Payment Date on which a Refinancing in part has occurred pursuant to these Conditions, all amounts credited to the Principal Account pursuant to sub-paragraph (D) above in redemption of the relevant Class or Classes of Rated Notes in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*) or Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*);
- (4) on any Payment Date, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Portfolio Management Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*); and
- (5) on the Issue Date, the Portfolio Manager may, at its sole discretion, designate Principal Proceeds in an amount not to exceed the Excess Par Amount and such amount shall be transferred to the Payment Account on the Issue Date for application in accordance with the Post-Acceleration Priority of Payments on such date, and/or for application towards any Refinancing Costs incurred in respect of the Refinancing to be effected on the Issue Date or distributions to Subordinated Noteholders.

(ii) ***Interest Account***

The Issuer (acting through the Collateral Administrator) will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

- (A) all cash payments of interest in respect of the Collateral Debt Obligations (save for Asset Swap Obligations) (other than any Purchased Accrued Interest and any amounts representing deferred interest in respect of any PIK Security), together with all amounts received by the Issuer by way of gross-up in respect of such interest and in respect of a claim under any applicable double taxation treaty (but excluding any interest received in respect of any Defaulted Obligations or Defaulted Deferring Mezzanine Obligations other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable));
- (B) at the Portfolio Manager's discretion, if at any time after the first anniversary of the Issue Date and after taking into account payment of such amount to the Interest Account pursuant to this paragraph (B), the Aggregate Collateral Balance (and for such purpose the Principal Balance of all Defaulted Obligations shall be deemed to be the lower of their Fitch Collateral Value and their S&P Collateral Value) is equal to

or greater than the Target Par Amount and the Collateral Quality Tests are satisfied, all or any portion of any amendments and waiver fees, late payment fees, commitment fees, syndication fees and other fees and commissions received in connection with any Collateral Debt Obligations, including, without limitation, upon sale or purchase thereof, save to the extent received in respect of any Defaulted Obligation or restructuring of any Collateral Debt Obligation (other than Defaulted Obligation Excess Amounts);

- (C) all accrued interest included in the proceeds of sale of any Collateral Debt Obligation designated by the Portfolio Manager as Interest Proceeds pursuant to the Portfolio Management Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts, (iii) any interest received in respect of any Defaulted Obligation save for Defaulted Obligation Excess Amounts, and (iv) any amounts representing deferred interest received in respect of any PIK Security);
- (D) all Scheduled Periodic Asset Swap Counterparty Payments received by the Issuer under an Asset Swap Transaction and all Scheduled Periodic Interest Rate Hedge Counterparty Payments received by the Issuer under an Interest Rate Hedge Transaction;
- (E) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning by the Portfolio Manager for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) transferred from the Non-Euro Account at the discretion of the Portfolio Manager, acting on behalf of the Issuer, converted into Euro at the prevailing Spot Rate of Exchange;
- (F) all amounts transferred to the Interest Account from any other Account pursuant to this Condition 3(j) (*Payments to and from Accounts*);
- (G) all scheduled commitment fees received by the Issuer in respect of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations;
- (H) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation in an account established pursuant to an ancillary facility;
- (I) all cash payments in the nature of interest received in respect of any Exchanged Securities;
- (J) any Trading Gains realised in respect of any Collateral Debt Obligation shall be paid into the Interest Account if there is (or would be, if the applicable Trading Gains were paid into the Principal Account or reinvested in Collateral Debt Obligations) a Retention Deficiency;
- (K) any Swap Tax Credit received by the Issuer; and
- (L) any Interest Smoothing Amounts which are required to be transferred from the Interest Smoothing Account.

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

- (1) on the second Business Day prior to each Payment Date, all amounts standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments, save for amounts deposited after the end of the related Due Period;
 - (2) at any time any Scheduled Periodic Interest Rate Hedge Issuer Payments to be paid by the Issuer due to each Interest Rate Hedge Counterparty pursuant to each Interest Rate Transaction;
 - (3) at any time any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment payable by the Issuer (excluding any Defaulted Asset Swap Issuer Termination Payment or Defaulted Interest Rate Hedge Issuer Termination Payment) to the extent not paid in full out of the Interest Rate Hedge and Asset Swap Termination Receipt Account;
 - (4) at any time any Asset Swap Replacement Payment or Interest Rate Hedge Replacement Payment payable by the Issuer (to the extent not paid in full out of the Interest Rate Hedge and Asset Swap Termination Receipt Account);
 - (5) at any time any Swap Tax Credit shall be paid to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement;
 - (6) at any time any amount representing interest received in respect of a Collateral Debt Obligation and accrued at the time of acquisition thereof and not paid for by the Issuer, to the seller thereof in accordance with the terms of the applicable Collateral Acquisition Agreement (if any); and
 - (7) on the Business Day following each Determination Date, any Interest Smoothing Amount required to be transferred to the Interest Smoothing Account, except that no payment may be made on (i) the first Determination Date following the Issue Date; (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing or if a Note Event of Default will occur on the next Payment Date as a result of such payment being made; (iii) the Determination Date immediately prior to any redemption of the Notes in full; and (iv) any Determination Date on or following the occurrence of a Frequency Switch Event.
- (iii) ***Payment Account***

Subject always to Condition 3(i) (*Accounts*) in connection with the redemption in whole of the Notes or the acceleration of the Notes and enforcement of the security, the Issuer (acting through the Collateral Administrator) will procure that, on the second Business Day prior to each Payment Date, all amounts standing to the credit of each of the other Accounts which are required to be transferred from such other Accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred and, on such Payment Date, the Collateral Administrator (acting on the basis of the Payment Date Report) shall disburse such amounts in accordance with the Principal Proceeds Priority of Payments, the Interest Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments or the Post-Acceleration Priority of Payments, as applicable. All interest accrued on the Balance standing to the credit of the Payment Account shall be credited to the Interest Account. No amounts shall be transferred to, or withdrawn from, the Payment Account at any other time or in any other circumstances.

(iv) ***Interest Rate Hedge and Asset Swap Termination Receipt Account***

The Issuer (acting through the Collateral Administrator) will procure that all Interest Rate Hedge Counterparty Termination Payments, Asset Swap Counterparty Termination Payments, Interest Rate Hedge Replacement Receipts and Asset Swap Replacement Receipts received by the Issuer are paid into a segregated sub-account within Interest Rate Hedge and Asset Swap Termination Receipt Account promptly upon receipt thereof.

The Issuer (acting through the Collateral Administrator) will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Rate Hedge and Asset Swap Termination Receipt Account:

- (A) at any time, any Interest Rate Hedge Replacement Payment, Asset Swap Replacement Payment, Interest Rate Hedge Issuer Termination Payment and Asset Swap Issuer Termination Payment payable by the Issuer to any Interest Rate Hedge Counterparty or any Asset Swap Counterparty, upon replacement or termination (as applicable) of an Asset Swap Transaction or Interest Rate Hedge Transaction to which the applicable sub-account relates up to an amount equal to the related Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt received by the Issuer in respect thereof; and
- (B) to the extent that any Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt received by the Issuer exceeds any Interest Rate Hedge Replacement Payment, Asset Swap Replacement Payment, Interest Rate Hedge Issuer Termination Payment or Asset Swap Issuer Termination Payment payable by the Issuer upon termination of the related Asset Swap Transaction or Interest Rate Hedge Transaction or upon entry into an Asset Swap Transaction or Interest Rate Hedge Transaction replacing an original Asset Swap Transaction or Interest Rate Hedge Transaction, as applicable, an amount equal to the balance of the related Interest Rate Hedge Counterparty Termination Payment, Asset Swap Counterparty Termination Payment, Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt shall be transferred to the Interest Account.

(v) ***Non-Euro Account***

The Issuer (acting through the Collateral Administrator) will procure that all amounts due to the Issuer in respect of each Non-Euro Obligation (including the proceeds of sale of Asset Swap Obligations from which the Issuer shall pay any related Asset Swap Issuer Principal Exchange Amount and any Asset Swap Issuer Termination Payment to the relevant Asset Swap Counterparty pursuant to paragraph (C) below), and any payments from an Asset Swap Counterparty in respect of an initial principal exchange shall, on receipt, be deposited in the Non-Euro Account in respect of, and maintained in the currency of, each such individual Non-Euro Obligation.

The Issuer (acting through the Collateral Administrator) will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the relevant Non-Euro Account:

- (A) at any time, to the extent of any initial principal exchange amount received from the Asset Swap Counterparty and deposited into the Non-Euro Account in accordance with the terms of, and to the extent

permitted under, the Portfolio Management Agreement, in the acquisition of Asset Swap Obligations;

- (B) Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;
- (C) Asset Swap Issuer Principal Exchange Amounts due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction (including without limitation any such amounts payable upon sale of the relevant Asset Swap Obligation and any Asset Swap Issuer Termination Payment payable out of such proceeds of sale to the extent denominated in the applicable non-Euro currency); and
- (D) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning for any amounts to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction in respect of any Asset Swap Obligation) at the discretion of the Portfolio Manager, acting on behalf of the Issuer, to the Interest Account or the Principal Account after conversion thereof into Euro at the prevailing Spot Rate of Exchange.

(vi) ***Counterparty Downgrade Collateral Account***

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in the applicable Counterparty Downgrade Collateral Account. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds or of the Interest Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer. The cash amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall be segregated on the Custodian's book and records from any other funds from any party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer. The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

- (A) prior to the occurrence or designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" entered into under the relevant Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early, solely in or towards payment or transfer of:
 - (1) any "Return Amounts" (as defined in the applicable Hedge Agreement);
 - (2) any "Interest Amounts" and "Distributions" (each as defined in the applicable Hedge Agreement);
 - (3) any return of collateral to the Hedge Counterparty upon a novation of its obligations under the Hedge Agreement to a replacement Hedge Counterparty; and

- (4) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement,

directly to the Hedge Counterparty in accordance with the terms of the "Credit Support Annex" of such Hedge Agreement;

- (B) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early where (A) an "Event of Default" (as defined in the Hedge Agreement) in respect of the Hedge Counterparty or an "Additional Termination Event" (as defined in the Hedge Agreement) in relation to which the Hedge Counterparty is the sole "Affected Party" (as defined in the Hedge Agreement) and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in the Hedge Agreement), in the following order of priority:
 - (1) first, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination and Receipt Account);
 - (2) second, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination and Receipt Account); and
 - (3) third, the surplus remaining (if any) (the "**Counterparty Downgrade Collateral Account Surplus**") be transferred to the Principal Account;
- (C) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge Agreement are terminated early (A) other than in respect of an "Event of Default" (as defined in the Hedge Agreement) in respect of the Hedge Counterparty and other than in respect of an "Additional Termination Event" (as defined in the Hedge Agreement) in relation to which the Hedge Counterparty is the sole "Affected Party" (as defined in the Hedge Agreement) and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in the Hedge Agreement) of the Hedge Agreement, in the following order of priority:
 - (1) first, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination and Receipt Account);
 - (2) second, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination and Receipt Account); and
 - (3) third, the Counterparty Downgrade Collateral Account Surplus be transferred to the Principal Account,
- (D) following the designation of an "Early Termination Date" (as defined in the Hedge Agreement) in respect of all "Transactions" under a Hedge Agreement pursuant to which all "Transactions" under the Hedge

Agreement are terminated early, if for any reason the Issuer is unable to or elects not to enter into a replacement Hedge Agreement or any novation of the Hedge Counterparty's obligations to a replacement Hedge Counterparty on or around the "Early Termination Date" (as defined in the Hedge Agreement), in the following order of priority:

- (1) first, in or towards payment of any Asset Swap Issuer Termination Payment or Interest Rate Hedge Issuer Termination Payment (to the extent not funded from the Asset Swap and Interest Rate Hedge Termination and Receipt Account); and
- (2) second, the Counterparty Downgrade Collateral Account Surplus be transferred to the Principal Account.

(vii) ***Collateral Enhancement Account***

The Issuer (acting through the Collateral Administrator) will procure that the following amounts are credited to the Collateral Enhancement Account:

- (A) at any time, all Collateral Enhancement Obligation Proceeds;
- (B) at any time, the proceeds of a Portfolio Manager Advance, to the extent not applied in the acquisition of, or, in respect of any exercise of any option or warrant, comprised in, one or more Collateral Enhancement Obligations (in accordance with the terms of the Portfolio Management Agreement); and
- (C) on each Payment Date, all amounts which the Portfolio Manager, acting on behalf of the Issuer, determines at its discretion shall be applied in payment into the Collateral Enhancement Account pursuant to paragraph (AA) of the Interest Proceeds Priority of Payments, subject to the limit specified in such paragraph.

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

- (1) 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 Portfolio Management Agreement;
- (2) at the discretion of the Portfolio Manager (acting on behalf of the Issuer) on the second Business Day prior to each Payment Date, all or part of the Balance standing to the credit of the Collateral Enhancement Account to the Payment Account for distribution on such Payment Date in accordance with the Collateral Enhancement Obligation Proceeds Priority of Payments;
- (3) at any time at the discretion of the Portfolio Manager, amounts required to repay any Portfolio Manager Advance outstanding together with any interest accrued thereon in accordance with the Portfolio Management Agreement; and
- (4) at any time at the discretion of the Portfolio Manager, an amount to the Interest Account which when taking into account any other amounts previously paid pursuant to this paragraph (vii)(4) is less than or equal to the aggregate of all amounts that have been credited to the Collateral Enhancement Account pursuant to paragraph (vii)(C) above.

(viii) ***Expense Reserve Account***

The Issuer (acting through the Collateral Administrator) will procure that the following amounts are paid into the Expense Reserve Account:

- (A) on the Issue Date €2,037,800.00; and
- (B) on each Payment Date (other than the Payment Date on which the Subordinated Notes are to be redeemed and paid in full) in accordance with paragraph (C)(2) of Condition 3(c)(i) (*Application of Interest Proceeds*).

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

- (1) on each Payment Date all amounts standing to the credit of the Expense Reserve Account to the Payment Account for disbursement in accordance with Condition 3(c)(i) (*Application of Interest Proceeds*); and
- (2) during any Due Period, in payment by the Collateral Administrator on behalf of the Issuer of any Trustee Fees and Expenses or Administrative Expenses, together with any transfer, registration and other administrative fees and charges paid or payable by or on behalf of the Issuer in connection with the acquisition of Collateral Debt Obligations and Substitute Collateral Debt Obligations, and to the extent that invoices are usually obtained, upon receipt of invoices therefor from the relevant creditor.

(ix) ***Revolving Reserve Account***

The Revolving Reserve Account shall comprise ledgers denominated in each applicable Qualifying Currency, and amounts shall be paid into and out of the account and the ledgers shall be amended following each payment in accordance with the currency in which they are denominated.

The Issuer (acting through the Collateral Administrator) shall procure the following amounts are paid into the account and recorded in the applicable ledger of the Revolving Reserve Account:

- (A) upon the acquisition by or on behalf of the Issuer of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, an amount equal to the amount which would cause the Balance standing to the credit of the Revolving Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation) less amounts posted as collateral for any Unfunded Amounts pursuant to paragraph (1) below (and which do not constitute Funded Amounts);
- (B) all principal payments received by the Issuer in respect of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, if and to the extent that the amount of such principal payments may be re-borrowed under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation; and
- (C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (1) below.

The Issuer (acting through the Collateral Administrator) shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out

of the applicable ledger of the Revolving Reserve Account and the relevant ledger shall be amended accordingly:

- (1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation or (subject to Rating Agency Confirmation) required to be deposited in the Issuer's name with any third party as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligations to fund drawings under any Delayed Drawdown Collateral Obligations or Revolving Collateral Obligations (subject to such security documentation as may be agreed between such lender, the Portfolio Manager acting on behalf of the Issuer and the Trustee);
- (2) at any time at the direction of the Portfolio Manager (acting on behalf of the Issuer) or upon the sale (in whole or in part) of a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (i) the amount standing to the credit of the Revolving Reserve Account over (ii) the sum of the Unfunded Amounts of all Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, after taking into account such sale or such reduction, cancellation or expiry of commitment, to the Principal Account; and
- (3) all interest accrued on the Balance standing to the credit of the Revolving Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account.

(x) ***Collection Account***

The Issuer shall procure that all amounts received in respect of any Collateral (other than in respect of any Non-Euro Obligation) are credited to the Collection Account. The Issuer shall procure that the Collateral Administrator and the Account Bank transfer all amounts standing to the credit of the Collection Account to the Accounts such funds are required to be credited to in accordance with Condition 3(i) (*Accounts*) and 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.

(xi) ***Interest Smoothing Account***

On the Business Day following each Determination Date relating to a Due Period in respect of a Scheduled Payment Date, the Portfolio Manager (acting on behalf of the Issuer) shall ensure that any Interest Smoothing Amount shall be credited to the Interest Smoothing Account from the Interest Account *provided that* no such transfer shall be made on any such Business Day following:

- (A) the first Determination Date following the Issue Date;
- (B) a Determination Date, following the occurrence of a Note Event of Default which is continuing or, if a Note Event of Default will occur on the next Payment Date as a result of such payment being made; or
- (C) the Determination Date immediately prior to any redemption of the Notes in full.

Prior to the occurrence of a Frequency Switch Event, the Issuer shall procure, on the Business Day falling after the Payment Date, the transfer to the Interest Account of an amount equal to:

- (1) if any Interest Smoothing Amount (or relevant part thereof) was transferred to the Interest Smoothing Account on the immediately prior Determination Date relating to a Due Period in respect of a Scheduled Payment Date in respect of a Semi-Annual Obligation, an amount equal to such Interest Smoothing Amount (or relevant part thereof);
- (2) if any Interest Smoothing Amount (or relevant part thereof) was transferred to the Interest Smoothing Account on any of the prior three Determination Dates relating to Due Periods in respect of Scheduled Payment Dates in respect of an Annual Obligation, an amount equal to such Interest Smoothing Amount (or relevant part thereof) divided by three.

On or following the occurrence of a Frequency Switch Event, if any Interest Smoothing Amount (or relevant part thereof) was transferred to the Interest Smoothing Account in respect of an Annual Obligation and such amount (or portion thereof) has not been subsequently transferred to the Interest Account, the Issuer shall procure, on the Business Day falling after the Payment Date, the transfer to the Interest Account of such amount (or portion thereof) that has not been subsequently transferred.

(xii) ***Unscheduled Payment Dates***

The Issuer and the Portfolio Manager may (and must if so directed by the Subordinated Noteholders acting by Ordinary Resolution) designate a date (other than a Scheduled Payment Date and a Redemption Date) as a Payment Date (each an "**Unscheduled Payment Date**") if the following conditions are met:

- (A) the proposed Unscheduled Payment Date is a Business Day falling after the date upon which the Rated Notes have been repaid or redeemed in full;
- (B) the Unscheduled Payment Date falls no less than 5 Business Days after the Portfolio Manager (on behalf of the Issuer) has notified the Collateral Administrator, the Principal Paying Agent and the Noteholders of the intended date of the unscheduled payment;
- (C) the proposed Unscheduled Payment Date falls more than 5 Business Days prior to a Scheduled Payment Date; and
- (D) the proposed Unscheduled Payment Date falls no less than 5 Business Days after any previous Scheduled Payment Date or Unscheduled Payment Date.

4. **Security**

(a) ***Security***

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Placement Agency Agreement, the Agency Agreement, the Portfolio Management Agreement, the Issuer Corporate Services Agreement, the Hedge Agreements and any other Transaction Documents (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

- (i) an assignment by way of security of all the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto) in

respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations and Eligible Investments standing to the credit of each of the Accounts (other than for the Counterparty Downgrade Collateral Account) and any other investments (other than for the Counterparty Downgrade Collateral), in each case held by or on behalf of the Issuer from time to time (where such rights are contractual rights other than contractual rights, the assignment of which would require the consent of a third party and where such contractual rights arise other than under securities or where the Trustee is required to accede to an intercreditor deed or agreement), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

- (ii) a first fixed charge and first priority security interest granted over all the Issuer's rights, title and interest, present and future (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Obligations and Eligible Investments standing to the credit of each of the Accounts (other than for the Counterparty Downgrade Collateral Account) and any other investments (other than for the Counterparty Downgrade Collateral), in each case held by or on behalf of the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;
- (iii) a first fixed charge over all rights of the Issuer, present and future, in respect of each of the Accounts (excluding each Counterparty Downgrade Collateral Account) and all moneys from time to time standing to the credit of the Accounts (other than for the Counterparty Downgrade Collateral Account) and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;
- (iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all rights of the Issuer, present and future, in respect of any of the Counterparty Downgrade Collateral standing to the credit of each Counterparty Downgrade Collateral Account including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and each Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of each Counterparty Downgrade Collateral Account and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to require repayment or redelivery of any such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and to any security interest thereover entered into by the Issuer in relation thereto;
- (v) a first fixed charge and first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(ix) (*Revolving Reserve Account*) (including Rating Agency Confirmation);

- (vi) an assignment by way of security of the Issuer's rights, present and future, against the Custodian under the Agency Agreement and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;
- (vii) an assignment by way of security of the Issuer's rights, present and future, under each Hedge Agreement, and each Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Hedge Agreement, provided that such assignment by way of security shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);
- (viii) an assignment by way of security of all the Issuer's rights, present and future, under the Agency Agreement, the Placement Agency Agreement, the Risk Retention Letter, the Portfolio Management Agreement and each other Transaction Document to which the Issuer is a party;
- (ix) a first fixed charge over all moneys held from time to time by the Principal Paying Agent or the Registrar or the Transfer Agent for payment of principal, interest or other amounts on the Notes (if any); and
- (x) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed (or if applicable the Euroclear Pledge Agreement).

The security described in this Condition 4 (*Security*) will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charge over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together the "**Affected Collateral**"), the Issuer shall hold the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together the "**Trust Collateral**") on trust for the Trustee (for the benefit of 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 Portfolio Management Agreement, if no Note Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this clause without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

- (i) by way of a first priority security interest to a Hedge Counterparty over the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the applicable Counterparty Downgrade Collateral Account (and all its rights of the Issuer, present and future, in respect of the 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 (subject to such security documentation as may be agreed between such third party, the Issuer and the Trustee). For the avoidance of doubt, the Issuer may grant such security interest directly to the Hedge Counterparty;

- (ii) by way of a first priority security interest over any deposit established by the Issuer with a Selling Institution in connection with the acquisition thereof of an interest in a Collateral Debt Obligation in respect of which the Issuer has agreed to guarantee or undertaken to pay (to the extent of moneys standing to the credit of such deposit) all or part of the liabilities of the related obligor to such Selling Institution; and/or
- (iii) by way of a first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation and deposited in its name with a third party as security for payment obligations of the Issuer including but not limited to any reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, subject to the terms of Condition 3(j)(ix) (*Revolving Reserve Account*) (including Rating Agency Confirmation).

For the avoidance of doubt, the Issuer has not and will not charge its right or interest in and to the Irish Excluded Assets and there will be no recourse to such Irish Excluded Assets.

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. If the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement and who is acceptable to the Trustee is appointed within 30 days in accordance with the provisions of the Agency Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian, the Account Bank or any Hedge Counterparty satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement Custodian, Account Bank or Hedge Counterparty. The Trustee has no responsibility for the management of the Portfolio by the Portfolio Manager or to supervise the administration of the Portfolio by the Collateral Administrator or any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

Pursuant to the Euroclear Pledge Agreement, the Issuer has also created a Belgian law pledge over the Collateral Debt Obligations from time to time held by the Custodian on behalf of the Issuer in Euroclear.

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

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

(c) ***Limited Recourse***

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payment. If the

net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed, are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties in such circumstances will be limited to such net proceeds, which shall be applied in accordance with the Priorities of Payment. In such circumstances, the other assets of the Issuer (including the Irish Excluded Assets) will not be available for payment of such shortfall which shall be borne by the Class X-R Noteholders, the Class A-R Noteholders, the Class B-R Noteholders, the Class C-R Noteholders, the Class D-R Noteholders, the Class E-R Noteholders, the Class F-R Noteholders and the Subordinated Noteholders, the Trustee and the other Secured Parties in accordance with the Priorities of Payment (applied in reverse order). The rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders of each Class or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders of any Class, the Trustee or the other Secured Parties (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, its officers or directors, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding-up, examinership or liquidation proceedings or for the appointment of a liquidator, an examiner, administrator or similar official, or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed and the Euroclear Pledge Agreement (including by appointing a receiver or an administrative receiver).

None of the Trustee, the Directors, the Placement Agent, the Portfolio Manager, the Collateral Administrator, the Agents, the Registrar, the Retention Holder, or the Custodian has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

The provisions of this Condition 4(c) (*Limited Recourse*) shall survive the termination of the Notes and the Trust Deed.

(d) ***Exercise of rights in respect of the Portfolio***

Subject to the provisions of the Portfolio Management Agreement, the Portfolio Manager may, prior to enforcement of the security over the Collateral and subject in any event to the overall direction and control of the Issuer, exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Portfolio Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any Portfolio forming part of the obligations.

(e) ***Information regarding the Collateral***

The Issuer shall procure that a copy of each Monthly Report and Payment Date Report is mailed upon publication thereof by pre-paid first class post (or is delivered or made available in any other manner approved by the Trustee, including by electronic transmission), within two Business Days of such publication (to the address specified in each of the requests referred to below which address may be an e-mail address) to each Noteholder of each Class upon request in writing therefor and evidence that such Noteholder is a beneficial holder of the Notes and that copies of each such Report are

sent to the Trustee, the Portfolio Manager, each Hedge Counterparty and each Rating Agency within two Business Days of publication thereof.

If:

- (i) the Notes become subject to additional reporting requirements as a result of the STS Regulation coming into force; and
- (ii) the STS Regulation permits the Issuer or any other person or category of persons specified in such regulation to be designated the person that makes available information required to be made available pursuant to such regulation,

the Issuer hereby agrees that, if notified by the Portfolio Manager, it will accept such designation and will assume all costs of complying with the additional reporting requirements under the STS Regulation (including the reasonable costs of all parties incurred amending the Transaction Documents for this purpose).

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

(a) *Covenants of the Issuer*

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

- (i) take such steps as are reasonable to enforce all its rights:
 - (A) under the Trust Deed;
 - (B) in respect of the Collateral;
 - (C) under the Agency Agreement;
 - (D) under the Portfolio Management Agreement;
 - (E) under the Issuer Corporate Services Agreement;
 - (F) under the Collateral Acquisition Agreements;
 - (G) under the Risk Retention Letter;
 - (H) under the Hedge Agreements; and
 - (I) under the Euroclear Pledge Agreement;
- (ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Portfolio Management Agreement and each other Transaction Document to which it is a party;
- (iii) keep proper books of account at its registered office (and maintain the same separate from those of any other person or entity);
- (iv) at all times maintain its tax residence in Ireland and outside the United Kingdom and the United States and will not establish a permanent establishment, branch, agency (other than the appointment of the Portfolio Manager and the Collateral Administrator pursuant to the Portfolio Management Agreement) or place of business or register as a company in the United Kingdom or the United States;
- (v) maintain its registered office in Ireland;
- (vi) pay its debts generally as they fall due;

- (vii) do all such things as are necessary to maintain its corporate existence, to conduct its own business in its own name and to correct any known misunderstanding regarding its separate identity;
- (viii) use its best endeavours to obtain and maintain a listing of the Outstanding Notes on the Irish Stock Exchange. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listing is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the prior written approval of the Trustee, such approval not to be unreasonably withheld) decide;
- (ix) supply such information to the Rating Agencies as they may reasonably request;
- (x) ensure that its "centre of main interest" (as that term is referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) is and remains at all times in Ireland;
- (xi) ensure that an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5;
- (xii) have and use its own stationery, invoices and cheques; and
- (xiii) have at least one independent director.

(b) ***Restrictions on the Issuer***

For so long as any of the Notes remain Outstanding, save as contemplated in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

- (i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Portfolio Management Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;
- (ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding, any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, these Conditions or the Transaction Documents and other than in respect of amounts withdrawn from the Revolving Reserve Account in accordance with Condition 3(j)(ix) (*Revolving Reserve Account*) to be deposited in the Issuer's name with a third party as collateral for any reimbursement or indemnification obligations of the Issuer owed to any other lender under a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligation to fund drawings under any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation (subject to such security documentation as may be agreed between such lender and the Portfolio Manager, acting on behalf of the Issuer, and the Trustee);
- (iii) engage in any business other than:
 - (A) acquiring and holding any property, assets or rights that are capable of being effectively secured in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

- (B) issuing and performing its obligations under the Notes;
 - (C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, any Reporting Delegation Agreement and each other Transaction Document to which it is a party, as applicable; and/or
 - (D) performing any act incidental to or necessary in connection with any of the above;
- (iv) amend any 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, release or consent under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Issuer Corporate Services Agreement or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed);
 - (vi) incur any indebtedness for borrowed money, other than in respect of:
 - (A) the Notes (including for the avoidance of doubt any further Notes issued in accordance with these Conditions), or any document entered into in connection with the Notes or the sale thereof including the Hedge Agreements;
 - (B) any Refinancing; or
 - (C) as otherwise permitted pursuant to the Trust Deed;
 - (vii) amend its constitutional documents;
 - (viii) have any subsidiaries or establish any offices, branches or other "permanent establishments" (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) anywhere in the world;
 - (ix) have any employees (for the avoidance of doubt, the Directors of the Issuer do not constitute employees);
 - (x) enter into any reconstruction, amalgamation, merger or consolidation;
 - (xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;
 - (xii) issue any shares (other than such shares as are in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;
 - (xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters)), unless such contract or agreement contains "limited recourse" and "non-petition" provisions and such Person agrees that such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;

- (xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement or the Euroclear Pledge Agreement, the Portfolio Manager or the Collateral Administrator under the Portfolio Management Agreement or any Hedge Counterparty under any Hedge Agreement or the guarantor under any Hedge Agreement (including, in each case, any transactions entered into thereunder), or, in each case, from any executory obligation thereunder;
- (xv) enter into any lease in respect of, or own, premises;
- (xvi) permit or consent to any of the following occurring:
 - (A) its books and records being maintained with or co-mingled with those of any other person or entity;
 - (B) its bank accounts and the debts represented thereby being comingled with those of any other person or entity;
 - (C) its assets or revenues being co-mingled with those of any other person or entity; or
 - (D) its business being conducted other than in its own name; or
- (xvii) guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity

6. Interest

(a) *Payment Dates*

- (i) ***Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes, Class D-R Notes, Class E-R Notes, Class F-R Notes and Subordinated Notes*** The Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes each bear interest from (and including) the Issue Date and such interest will be payable quarterly in arrear on each Payment Date prior to the occurrence of a Frequency Switch Event, and thereafter, on each Payment Date semi-annually in arrear.

(ii) *Subordinated Notes*

Payments of interest will be made on the Subordinated Notes to the extent funds are available in accordance with paragraph (BB) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, as applicable, on each Payment Date. Notwithstanding any other provisions of these Conditions or the Trust Deed, all references herein and therein to any of the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable

on any Payment Date following payment in full of amounts payable pursuant to the Priorities of Payment on such Payment Date.

(b) ***Interest Accrual***

(i) ***Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes, Class D-R Notes, Class E-R Notes, Class F-R Notes and Subordinated Notes***

Each Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R Note, Class E-R Note, Class F-R Note and Subordinated Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) ***Subordinated Notes***

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or Collateral Enhancement Obligation Proceeds remain available for distribution in accordance with the Priorities of Payment.

(c) ***Deferral of Interest***

(i) ***Deferred Interest***

In the case of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, for so long as any such Class is not the Controlling Class or where the relevant Class is the Controlling Class in respect of any Payment Date prior to a Frequency Switch Event occurring, an amount of interest equal to any shortfall in payment of the Interest Amount which would otherwise be due and payable in respect of any of such Classes of Notes on any Payment Date in accordance with the Interest Proceeds Priority of Payments (each such amount being referred to as "**Deferred Interest**") will not be due and payable on such Payment Date, but will be added to the principal amount of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, as applicable, and thereafter will accrue interest at the relevant Floating Rate of Interest, as applicable, and the failure to pay such Deferred Interest to the holders of such Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date of redemption in full of the Notes. Interest will cease to accrue on each Note, or in the case of a partial repayment, on such part, from the date of repayment or the Maturity Date unless payment of principal is improperly withheld or unless default is otherwise made with respect to such payments of principal. If the relevant Class is the Controlling Class in respect of any Payment Date on or after the Payment Date occurring immediately after a Frequency Switch Event, Deferred Interest shall not be added to the principal amount of such Class and failure to pay interest will constitute a Note Event of Default, as more fully provided in Condition 10(a)(i) (*Non-payment of interest*).

(ii) ***Non-payment of Interest***

Non-payment of interest on the Class X-R Notes, the Class A-R Notes or the Class B-R Notes shall subject to Condition 10(a)(i) (*Non-payment of interest*) constitute a Note Event of Default.

(d) ***Payment of Deferred Interest***

Deferred Interest in respect of any Class C-R Note, Class D-R Note, Class E-R Note or Class F-R Note shall only become payable by the Issuer in accordance with the Priorities of Payment, to the extent that Interest Proceeds or, as the case may be, Principal Proceeds are available to make such payment in accordance with the Priorities of Payment.

(e) ***Interest on the Rated Notes***

(i) ***Floating Rate of Interest***

Subject as provided in paragraph (ii) below, the rate of interest from time to time in respect of the Class X-R Notes (the "**Class X-R Floating Rate of Interest**"), in respect of the Class A-R Notes (the "**Class A-R Floating Rate of Interest**"), in respect of the Class B-R Notes (the "**Class B-R Floating Rate of Interest**"), in respect of the Class C-R Notes (the "**Class C-R Floating Rate of Interest**"), in respect of the Class D-R Notes (the "**Class D-R Floating Rate of Interest**"), in respect of the Class E-R Notes (the "**Class E-R Floating Rate of Interest**") and in respect of the Class F-R Notes (the "**Class F-R Floating Rate of Interest**") (and each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date, the Calculation Agent will determine the offered rate for:

- (1) each Accrual Period commencing prior to the occurrence of a Frequency Switch Event 3-month Euro deposits; and
- (2) in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, 6-month Euro deposits (unless the last Accrual Period is 3 months in which case 3 month Euro deposits in respect of such Accrual Period),

in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question and, in each case subject to a floor of zero ("**EURIBOR**").

Such offered rate will be that which appears on the display designated on the Bloomberg Screen "**BTMM EU**" page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The applicable Floating Rate of Interest shall be the aggregate of the relevant Applicable Margin (as defined in this Condition below) and the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate (or one or more of the offered rates referred to in paragraph (A) above) so appearing is replaced by the corresponding rates of more than one bank, then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate (or one or more of the offered rates referred to in paragraph (A) 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 (as defined in this Condition below) office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to

leading banks for Euro deposits in the Euro-zone interbank market for a period of (i) in respect of each Accrual Period, commencing prior to the occurrence of a Frequency Switch Event, 3 months, or (ii) in respect of each Accrual Period commencing following the occurrence of a Frequency Switch Event, 6 months (unless the last Accrual Period is 3 months, in which case 3 months in respect of such Accrual Period), in each case as at 11.00 am (Brussels time) on the Interest Determination Date in question and, in each case, subject to a floor of zero. Each Floating Rate of Interest for such Accrual Period shall be the aggregate of the relevant Applicable Margin and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Calculation Agent.

- (C) If on any Interest Determination Date, one only or none of the Reference Banks provides such quotation, the offered rate for three or six month Euro deposits used to calculate each Floating Rate of Interest, respectively, for the next Accrual Period shall be the last available offered rate for three or six month Euro deposits, as applicable, as determined by the Calculation Agent.

- (D) Where:

"Applicable Margin" means:

- (1) in the case of the Class X-R Notes: 0.85 per cent. per annum;
- (2) in the case of the Class A-R Notes: 0.92 per cent. per annum;
- (3) in the case of the Class B-R Notes: 1.50 per cent. per annum;
- (4) in the case of the Class C-R Notes: 2.25 per cent. per annum;
- (5) in the case of the Class D-R Notes: 3.40 per cent. per annum;
- (6) in the case of the Class E-R Notes: 5.45 per cent. per annum; and
- (7) in the case of the Class F-R Notes: 7.44 per cent. per annum.

- (ii) ***Determination of Floating Rate of Interest and Calculation of Interest Amount on Floating Rate Notes***

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine each Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (the **"Interest Amount"**) payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the relevant Floating Rate of Interest respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, as applicable, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards) provided that for the avoidance of doubt, holders of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, as the case may be, shall only be entitled to receive interest on the Principal Amount Outstanding from time to time in respect of such Notes.

(iii) ***Reference Banks and Calculation Agent***

The Issuer will procure that, so long as any Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R Note, Class E-R Note or the Class F-R Note remains Outstanding:

- (A) a Calculation Agent shall be appointed and maintained for the purposes of determining the Floating Rate of Interest and Interest Amount payable in respect of each Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note, Class D-R Note, Class E-R Note and Class F-R Note; and
- (B) if a Floating Rate of Interest is to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such Condition are appointed.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish the Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(f) ***Interest on the Subordinated Notes***

The Calculation Agent will as of each Determination Date calculate the interest payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Minimum Denomination and Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (BB) of the Interest Proceeds Priority of Payments, and paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, as applicable, by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(g) ***Publication of Floating Rates of Interest, Interest Amounts for the Notes and Deferred Interest***

The Calculation Agent will cause each Floating Rate of Interest and the Interest Amounts payable in respect of each Class of Notes, the amount of any Deferred Interest due but not paid on any Class of Notes for each Accrual Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee, the Portfolio Manager and, for so long as the Notes are listed on the Irish Stock Exchange, the Irish Stock Exchange as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Registrar but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, or the Payment Date in respect of any Class of Notes so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any

of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) ***Determination or Calculation by Trustee***

If the Calculation Agent does not at any time for any reason so calculate a Floating Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) ***Notifications, etc. to be Final***

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence of fraud, negligence or wilful misconduct) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

7. **Redemption and Purchase**

(a) ***Final Redemption***

Save to the extent previously redeemed or purchased and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price and the Subordinated Notes will be redeemed at the amount equal to their *pro rata* share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to the Priorities of Payment. Notes may not be redeemed or purchased other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) ***Optional Redemption***

(i) ***Optional Redemption in Whole - Subordinated Noteholders or Retention Holder***

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

- (A) on any Payment Date falling on or after expiry of the Non-Call Period at the direction of (i) the Subordinated Noteholders acting by Ordinary Resolution or (ii) the Retention Holder; or

- (B) upon the occurrence of a Collateral Tax Event, on any Payment Date falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution,

in each case as evidenced by duly completed Redemption Notices.

(ii) ***Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders or the Portfolio Manager***

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*), the Rated Notes of any Class may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds on any Payment Date falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the direction of the Portfolio Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes.

(iii) ***Optional Redemption in Whole - Portfolio Manager Clean-up Call***

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices from Sale Proceeds on any Payment Date falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Collateral Balance is less than 15 per cent. of the Target Par Amount and if directed in writing by the Portfolio Manager.

(iv) ***Terms and Conditions of an Optional Redemption***

- (A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption, including the applicable Redemption Date, and the relevant Redemption Price therefor, is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*);
- (B) the Rated Notes to be redeemed shall be redeemed at their applicable Redemption Prices subject, in the case of an Optional Redemption of all Classes of the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes. Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer, the Trustee and the Portfolio Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Portfolio Manager, acting reasonably) prior to the relevant Redemption Date;
- (C) the Portfolio Manager shall have no right or other ability under the Portfolio Management Agreement (but without prejudice to its rights in respect of any Subordinated Notes which it or its Affiliates may hold) to prevent an Optional Redemption directed by the Subordinated Noteholders or the Controlling Class in accordance with this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) and for the avoidance of doubt, the Controlling Class (or the Subordinated Noteholders, as applicable) shall have no right to

prevent an Optional Redemption directed by the Portfolio Manager or by the Subordinated Noteholders (or the Controlling Class, as applicable) in each case duly approved by the relevant Class and which satisfies the applicable conditions in accordance with these Conditions;

- (D) any such redemption must comply with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*); and
- (E) any redemption in part of the Notes pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*) shall be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) below.

(v) ***Optional Redemption effected in Whole or in Part through Refinancing***

Following receipt of, or as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the requisite percentage of Subordinated Noteholders or a direction from the Portfolio Manager to exercise any right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in Whole by Subordinated Noteholders*), the Issuer may:

- (A) in the case of a redemption in whole of all Classes of Rated Notes in accordance with Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) (1) enter into a loan (as borrower thereunder) with one or more financial institutions; or (2) issue replacement notes; and
- (B) in the case of a redemption in part of the entire Class of a Class of Rated Notes in accordance with Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders*), issue replacement notes in accordance with this Condition 7(b) (*Optional Redemption*),

(each, a "**Refinancing Obligation**"),

whose terms in each case will be negotiated by the Portfolio Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). Each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*). Refinancing Proceeds shall be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders*).

(C) ***Refinancing in relation to a Redemption in Whole***

In the case of a Refinancing in relation to the redemption of all Classes of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*), such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to the Rating Agencies;

- (2) any issuance of replacement notes is consented to by the Portfolio Manager and would not result in non-compliance by the Portfolio Manager with the Retention Requirements;
- (3) all Refinancing Proceeds, Principal Proceeds, Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments and Exchanged Securities and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes) and all amounts payable in priority thereto (subject to any election to receive less than 100 per cent. of Redemption Price) on the applicable Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;
- (4) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;
- (5) 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
- (6) all Refinancing Proceeds, Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations, Eligible Investments and Exchanged Securities, are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as certified to the Issuer and the Trustee by the Portfolio Manager.

(D) ***Refinancing in relation to a Redemption in Part of a Class or Classes of Notes in Whole***

In the case of a Refinancing in relation to a redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders*), such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to the Rating Agencies;
- (2) any issuance of replacement notes is consented to by the Portfolio Manager and would not result in non-compliance by the Portfolio Manager with the Retention Requirements;
- (3) the Refinancing Obligations are in the form of notes;
- (4) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;
- (5) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes will be at least sufficient to pay in full:

- (a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus
 - (b) any Refinancing Costs;
- (6) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;
- (7) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;
- (8) the aggregate principal amount of the Refinancing Obligations is equal to the aggregate Principal Amount Outstanding of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;
- (9) 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;
- (10) the Applicable Margin of any Refinancing Obligations will be less than the Applicable Margin of the Rated Notes subject to such Optional Redemption;
- (11) payments in respect of the Refinancing Obligations are subject to the Priorities of Payment and rank at the same priority pursuant to the Priorities of Payment as the relevant Class or Classes of Rated Notes being redeemed;
- (12) the voting rights, consent rights, redemption rights (other than any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Refinancing Obligations) and all other rights of the Refinancing Obligations are the same as the rights of the corresponding Class of Rated Notes being redeemed; and
- (13) all Refinancing Proceeds are received by (or on behalf of) the Issuer on or prior to the applicable Redemption Date,

in each case, as certified to the Issuer and the Trustee by the Portfolio Manager (upon which certification the Trustee shall rely without liability).

If, in relation to a proposed Optional Redemption of the Notes, any of the conditions specified in this Condition 7(b)(v) (*Optional Redemption effected in Whole or in Part through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Portfolio Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Portfolio Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing.

(E) ***Consequential Amendments***

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed to the extent necessary to reflect the terms of the Refinancing (including any modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to

redeem by refinancing the Class(es) of Notes subject to a Refinancing and subject to the consent of the Subordinated Noteholders (acting by way of Ordinary Resolution). No further consent for such amendments shall be required from the holders of 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 sole opinion, adversely affects its duties, obligations, liabilities or protections under the Trust Deed, and the Trustee will be entitled to conclusively rely upon an officer's certificate 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 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 in Whole of all Classes of Notes effected through Liquidation only***

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of (i) a direction in writing from the requisite percentage of Subordinated Noteholders (in the case of Condition 7(b)(i) (*Optional Redemption in Whole – Subordinated Noteholders*) or Condition 7(d) (*Redemption following a Note Tax Event*)), (ii) a direction in writing from the requisite percentage of the Controlling Class or the Subordinated Noteholders (in the case of Condition 7(d) (*Redemption following a Note Tax Event*)); or (iii) a direction in writing from the Portfolio Manager (in the case of Condition 7(b)(iii) (*Optional Redemption in Whole – Portfolio Manager Clean-up Call*)), as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 17 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Portfolio Manager. The Portfolio Manager or any of its Affiliates will be permitted to purchase Collateral Debt Obligations in the Portfolio where the Portfolio Manager or the Subordinated Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or the Subordinated Noteholders or the Controlling Class, as applicable, exercise their right of early redemption pursuant to Condition 7(d) (*Redemption following a Note Tax Event*).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

- (A) at least five Business Days before the scheduled Redemption Date the Portfolio Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Portfolio Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which either (x) has a long-term issuer credit rating of at least "A" by S&P provided that it has a short-term issuer credit rating of at least "A-1" by S&P or, if it does not have such a short-term issuer credit rating, a long-term issuer credit rating of at least "A+" by S&P or (y) in respect of which Rating Agency

Confirmation from S&P has been obtained) 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, to meet the Redemption Threshold Amount; or

- (B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments, Collateral Enhancement Obligations and Exchanged Securities, the Portfolio Manager confirms in writing (which may be by way of e-mail) to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments and Exchanged Securities, and (B) for each Collateral Debt Obligation, the product of its Principal Balance and its Market Value, shall be at least sufficient to meet the Redemption Threshold Amount; and (ii) at least five Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient to meet the Redemption Threshold Amount.
- (C) Prior to the scheduled Redemption Date, the Collateral Administrator shall give notice to the Trustee in writing of the amount of all expenses incurred by the Issuer up to and including the scheduled Redemption Date in effecting such liquidation.
- (D) Any confirmation delivered by the Portfolio Manager pursuant to this section must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Debt Obligations, Eligible Investments and/or Exchanged Securities and (2) all calculations required by this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) (as applicable). The Trustee shall rely without liability on such confirmation. Any Noteholder, the Portfolio Manager or any of the Portfolio Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations, Eligible Investments, Collateral Enhancement Obligations and Exchanged Securities to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*) or Condition 7(d) (*Redemption following a Note Tax Event*).

If the condition in (B)(i) above is satisfied and the condition in (B)(ii) is not satisfied on the Business Day immediately prior to the Redemption Date solely as result of the fact that one or more of the trades has not been settled on or prior to that date, the Issuer shall give notice of such to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the Subordinated Noteholders (acting by Ordinary Resolution) shall have the right to elect to direct the Issuer to redeem the Notes on a date falling not less than 3 Business Days after the first date notified to Noteholders of as the date of such redemption (the "**Original Redemption Date**") and no more than 30 Business Days after the Original Redemption Date.

If the condition (B)(ii) above is not satisfied on the Business Day falling immediately prior to the Redemption Date or extended pursuant to the immediately preceding paragraph, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Portfolio Manager and the Noteholders in accordance with Condition 16 (*Notices*). Such cancellation shall not constitute a Note Event of Default.

(vii) ***Mechanics of Redemption***

Following calculation by the Collateral Administrator, in consultation with the Portfolio Manager of the relevant Redemption Threshold Amount, if applicable, the Collateral Administrator shall make such other calculations as it is required to make pursuant to the Portfolio Management Agreement and shall notify the Issuer, the Trustee, the Portfolio Manager and the Registrar, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders, the Retention Holder or the Portfolio Manager pursuant to this Condition 7(b) (*Optional Redemption*) or the Subordinated Noteholders or the Controlling Class pursuant to Condition 7(d) (*Redemption following a Note Tax Event*) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable), of duly completed "Redemption Notices" not less than 30 days, or such shorter period of time as the Trustee and the Portfolio Manager find reasonably acceptable, prior to the proposed Redemption Date. No Redemption Notice so delivered may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Portfolio Manager received to each of the Issuer, the Trustee, the Collateral Administrator and, if applicable, the Portfolio Manager.

The Portfolio Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Rating Agency, each Hedge Counterparty and the Registrar upon satisfaction of any of the conditions set out in this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) (as applicable) and shall arrange for liquidation and/or realisation of the Portfolio on behalf of the Issuer in accordance with the Portfolio Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*) in the Principal Account on or before the Business Day prior to the applicable Redemption Date (or in respect of a Refinancing, on or prior to the applicable Redemption Date). Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all of the Rated Notes shall be payable from the Payment Account in accordance with the Post-Acceleration Priority of Payments. Any redemption in whole of a Class of Rated Notes shall be paid to the holders of such Class of Notes in accordance with the Post-Acceleration Priority of Payments.

(viii) ***Optional Redemption of Subordinated Notes***

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

(c) ***Redemption upon Breach of Coverage Tests***

(i) ***Class A-R Notes and Class B-R Notes***

If the Class A-R/B-R Par Value Test or the Class A-R/B-R Interest Coverage Test is not met on the Determination Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X-R Notes, the Class A-R Notes and the Class B-R Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(ii) *Class C-R Notes*

If the Class C-R Par Value Test or the Class C-R Interest Coverage Test is not met on the Determination Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes and the Class C-R Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(iii) *Class D-R Notes*

If the Class D-R Par Value Test or the Class D-R Interest Coverage Test is not met on the Determination Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(iv) *Class E-R Notes*

If the Class E-R Par Value Test or the Class E-R Interest Coverage Test is not met on the Determination Date, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(v) *Class F-R Notes*

If the Class F-R Par Value Test is not met on any Determination Date following the Reinvestment Period, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Rated Notes in accordance with the Priorities of Payment, on the related Payment Date in accordance with and subject to the Priorities of Payment (including payment of all prior ranking amounts) until the Class F-R Par Value Test is satisfied if recalculated immediately following such redemption.

(d) ***Redemption following a Note Tax Event***

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer notifies (or procures the notification of) the Trustee and the Noteholders in accordance with Condition 16 (*Notices*) that it is not able to effect such change of residence and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Trustee and the Noteholders that (in accordance with Condition 16 (*Notices*)), based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so

redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; and provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b) (*Optional Redemption*).

(e) ***Special Redemption***

A special redemption ("**Special Redemption**") of the Notes may occur in the circumstances described in (i) and (ii) below. The exercise of a Special Redemption shall be at the sole and absolute discretion of the Portfolio Manager (acting on behalf of the Issuer) and the Portfolio Manager shall be under no obligation to, or have any responsibility for, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

- (i) During the Reinvestment Period, principal payments on the Notes shall be made in accordance with paragraph (U) of the Interest Proceeds Priority of Payments if (x) the Additional Reinvestment Test is not met, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (T) thereof, and (y) the Portfolio Manager determines in its discretion and notifies the Trustee in writing that it is unable to identify additional Collateral Debt Obligations that it considers appropriate for reinvestment. In such circumstances, an amount up to the applicable Required Diversion Amount (as determined by the Portfolio Manager) shall be applied in redemption of the Notes in accordance with the Note Payment Sequence.
- (ii) Principal payments on the Notes shall be made in accordance with the Principal Proceeds Priority of Payments at the sole and absolute discretion of the Portfolio Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Portfolio Manager (acting on behalf of the Issuer) notifies the Trustee that using reasonable endeavours it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Portfolio Manager (acting on behalf of the Issuer) in its discretion which meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria, in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account that are to be invested in additional Collateral Debt Obligations. On the first Payment Date following the Due Period in which such notice is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using reasonable endeavours, cannot be reinvested in additional Collateral Debt Obligations or Substitute Collateral Debt Obligations (the "**Special Redemption Amount**") will be applied in accordance with paragraph (O) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(e)(ii) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to the Noteholders and to each Rating Agency.

(f) ***Redemption following expiry of the Reinvestment Period***

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date in redemption of the Notes at their applicable Redemption Prices in accordance with the Principal Proceeds Priority of Payments.

(g) ***Redemption***

All Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices (subject to any provision of this Condition 7 (*Redemption and Purchase*) requiring the Issuer to cancel such redemption) and to the extent specified in such notice and in accordance with the requirements of these Conditions and in accordance with the Priorities of Payment.

(h) ***Cancellation and purchase***

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein, for cancellation pursuant to paragraph (k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

In respect of Notes represented by a Global Certificate, cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

(i) ***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 without the prior consent of the Issuer) is given to the Trustee and the Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to the Rating Agencies.

In the event of the Issuer, the Portfolio Manager or the requisite percentage of Noteholders giving notice in accordance with this Condition 7 (*Redemption and Purchase*), the first in time shall prevail.

(j) ***Redemption of the Subordinated Notes***

Notwithstanding any other provisions of the Conditions or the Trust Deed, all references herein and therein to any of the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that €1 principal amount of such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 shall no longer remain outstanding and the Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

(k) ***Purchase***

On any Payment Date, at the discretion of the Portfolio Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Portfolio Management Agreement, the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account, *provided that* nothing in this Condition 7(k) (*Purchase*) shall operate to override the priority in respect of such Principal Proceeds of those obligations more senior to the Rated Notes in the relevant Priority of Payments.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

- (i) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class X-R Notes and the Class A-R Notes on a *pro rata* and

pari passu basis, until, the Class X-R Notes and the Class A-R Notes are purchased or redeemed in full and cancelled; second, the Class B-R Notes, until the Class B-R Notes are purchased or redeemed in full and cancelled; third, the Class C-R Notes, until the Class C-R Notes are purchased or redeemed in full and cancelled; fourth, the Class D-R Notes, until the Class D-R Notes are purchased or redeemed in full and cancelled; fifth, the Class E-R Notes, until the Class E-R Notes are purchased or redeemed in full and cancelled and sixth, the Class F-R Notes, until the Class F-R Notes are purchased or redeemed in full and cancelled;

- (ii) (A) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders (in accordance with these Conditions), which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;
- (B) each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and
- (C) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of Principal Proceeds specified in such offer, a portion of the Notes of each accepting holder shall be purchased *pro rata* based on the respective Principal Amount Outstanding held by each such holder subject to adjustment for Authorised Denominations if required;
- (iii) each such purchase shall be effected only at prices discounted from par;
- (iv) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;
- (v) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase compared with what it was immediately prior thereto;
- (vi) if Sale Proceeds are used to consummate any such purchase, either:
 - (A) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied after giving effect to such purchase; or
 - (B) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Tests was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;
- (vii) no Note Event of Default shall have occurred and be continuing;
- (viii) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;
- (ix) each Rating Agency is notified by the Issuer of such purchase; and
- (x) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland).

The Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

(l) ***Mandatory Redemption of Class X-R Notes***

The Class X-R Notes shall be subject to mandatory redemption in part on each of the first four Payment Dates immediately following (and excluding) the Issue Date, in each case in an amount equal to the relevant Class X-R Principal Amortisation Amount.

(m) ***Subordinated Notes***

The Subordinated Notes shall be entitled upon redemption to (i) receive their Principal Amount Outstanding; and (ii) any proceeds available in accordance with paragraph (BB) of the Interest Proceeds Priority of Payments, paragraph (T) of the Principal Proceeds Priority of Payments and paragraph (Z) of the Post-Acceleration Priority of Payments, in each case to the extent proceeds are available and subject to Condition 4(c) (*Limited Recourse*).

8. **Payments**

(a) ***Method of Payment***

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record Date. Upon application of the holder to the specified office of the Principal Paying Agent or Transfer Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

(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 approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain a Principal Paying Agent, as approved by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Portfolio Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Portfolio Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

9. **Taxation**

All payments of principal and interest in respect of the Notes shall be made by or on behalf of the Issuer free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Ireland, or any political sub-division or any authority therein or thereof or anywhere else in the world having power to tax, unless such withholding or deduction is required by law or any taxing authority or in connection with FATCA. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts for or on account of such taxes, duties, assessments or governmental charges where so required by law or any relevant taxing authority or in connection with FATCA. Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further enquiry) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or deduct for or on account of 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 by the Trustee of Rating Agency Confirmation in relation to such change and in accordance with the Trust Deed.

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

- (a) due to the connection of any Noteholder with Ireland otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof; or
- (b) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax; or
- (c) 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; or
- (d) in connection with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto) or as a result of the Noteholder's failure to provide the Issuer with appropriate tax forms and other documentation reasonably requested by the Issuer; or
- (e) any combination of the preceding clauses (a) to (d) above,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

10. **Events of Default**

(a) ***Note Events of Default***

The occurrence of any of the following events shall constitute a "Note Event of Default":

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

The Issuer fails to pay any interest in respect of any Class X-R Note, Class A-R Note or Class B-R Note when the same becomes due and payable or, following redemption and payment in full of the Class X-R Notes, the Class A-R Notes and the Class B-R Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class C-R Note when the same becomes due and payable or, following redemption and payment in full of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes and the Class C-R Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class D-R Note when the same becomes due and payable or, following redemption and payment in full of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class E-R Note when the same becomes due and payable or, following redemption and payment in full of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes and the Class E-R Notes, in respect of any Payment Date on or after the Relevant Payment Date, the Issuer fails to pay any interest in respect of any Class F-R Note when the same becomes due and payable (save, in each case, as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) and provided that any such failure to pay such interest in such circumstances continues for a period of five Business Days;

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

Without prejudice to Condition 3(d) (*Non-payment of Amounts*), the Issuer fails to pay any principal when the same becomes due and payable (save as the result of any deduction therefrom or the imposition of withholding thereon in the circumstances described in Condition 9 (*Taxation*)) on any Note or on the Maturity Date or any Redemption Date (other than the date on which the Note is accelerated pursuant to this Condition 10 (*Events of Default*)) provided that any such failure to pay such principal continues for a period of five Business Days;

(iii) ***Default under Priorities of Payment***

Other than a failure already referred to in paragraphs (i) and (ii) above, the Issuer fails on any Payment Date to disburse amounts available in the Payment Account in accordance with the Priorities of Payment and such failure continues for a period of five Business Days;

(iv) ***Collateral Debt Obligations***

On any Measurement Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Aggregate Collateral Balance (excluding any Defaulted Obligations) plus (2) the aggregate of the Market Values of all Defaulted Obligations on such date multiplied by their respective Principal Balances; and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A-R Notes, to equal or exceed 102.5 per cent;

(v) ***Breach of Other Obligations***

The Issuer does not perform or comply with any other of its material covenants, warranties or other undertakings (or similar) under the Notes, the Trust Deed (including these Conditions) the Placement Agency Agreement, the Agency Agreement or the Portfolio Management Agreement (other than a covenant, warranty or other agreement a default in the performance or breach of which is dealt with elsewhere in this Condition 10(a) (*Events of Default*) and other than the failure to meet any Collateral Quality Test, Portfolio Profile Test, the Additional Reinvestment Test or any Coverage Test), or any representation, warranty or statement of the Issuer made in the Trust Deed or the Portfolio Management Agreement or in any certificate or other writing delivered pursuant thereto or in connection therewith ceases to be correct in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days (or 30 days, in the case of any default, breach or failure of representation or warranty in respect of the Collateral) after notice thereof shall have been given by registered or certified mail or courier, to the Issuer (with a copy to the Portfolio Manager) by the Trustee specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" hereunder. For the purposes of this paragraph the materiality of such default, breach covenant representation or warranty shall be determined by the Trustee;

(vi) ***Insolvency Proceedings***

Proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, examinership, composition, controlled management and suspension of payments, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, trustee, administrator, custodian, conservator, liquidator, examiner or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (for the purpose of this clause only, a "**Receiver**") is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer; or the Issuer is, or initiates or consents to judicial proceedings relating to, itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) ***Illegality***

It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) ***Investment Company Act***

The Issuer or any of the Collateral becomes required to register as an investment company under the Investment Company Act and such requirement continues for 45 days.

(b) ***Acceleration***

- (i) If a Note Event of Default occurs and is continuing, the Trustee at its discretion may, and shall, if so directed by an Ordinary Resolution of the Controlling Class, (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer and the Portfolio Manager (with a copy to each Hedge Counterparty) that all of the Notes are immediately due and repayable.

- (ii) Upon any such notice being given to the Issuer in accordance with paragraph (i) of this Condition 10(b) (*Acceleration*), all of the Notes shall immediately become due and repayable at their applicable Redemption Prices, provided that no such notice shall be required in the case of the Note Event of Default referred to in Condition 10(a)(vi) (*Insolvency Proceedings*) or Condition 10(a)(vii) (*Illegality*), the occurrence of which shall result in automatic acceleration of the Notes in accordance with this Condition.

(c) ***Curing of a Note Event Default***

At any time after a notice of acceleration of maturity of the Notes has been given pursuant to Condition 10(b)(i) (*Acceleration*), following the occurrence of a Note Event of Default and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee may and shall, if so directed by an Ordinary Resolution of the Controlling Class, (subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration pursuant to Condition 10(b)(i) (*Acceleration*) and its consequences if:

- (i) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:
 - (A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes and other than Deferred Interest;
 - (B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;
 - (C) all unpaid Administrative Expenses and Trustee Fees and Expenses; and
 - (D) all amounts due and payable under any Hedge Agreement;
- (ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or as subsequently directed accelerates the Notes in accordance with Condition 10(b)(i) (*Acceleration*) above or if the Notes are automatically accelerated in accordance with Condition 10(b)(ii) (*Acceleration*) above.

All amounts received in respect of this Condition 10(c) (*Curing of Default*) shall be distributed two Business Days following the receipt by the Issuer of such amounts in accordance with the Post-Acceleration Priority of Payments.

(d) ***Restriction on Acceleration of Notes***

No acceleration of the Notes shall be permitted pursuant to this Condition by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) ***Notification and Confirmation of No Default***

The Issuer shall immediately notify the Trustee, the Portfolio Manager, the Noteholders in accordance with Condition 16 (*Notices*) and the Rating Agencies upon becoming aware of the occurrence of a Note Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis or on request that no Note Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue,

making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute a Note Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

(f) ***Portfolio Manager Events of Default***

Any of the following events shall constitute a "Portfolio Manager Event of Default":

- (A) wilful breach by the Portfolio Manager of any material obligation by which it is bound under or pursuant to the terms of the Portfolio Management Agreement or the Trust Deed (unrelated to the economic performance of the Collateral Debt Obligations);
- (B) breach by the Portfolio Manager of any provision of the Portfolio Management Agreement or the Trust Deed applicable to it which breach (x) has a material adverse effect on the Noteholders of any Class and (y) if capable of being cured, is not cured within 30 days of the Portfolio Manager becoming aware of, or receiving notice from, the Issuer or the Trustee of, such breach;
- (C) the failure of any representation, warranty, certification or statement made or delivered by the Portfolio Manager in or pursuant to the Portfolio Management Agreement or the Trust Deed to be correct in any material respect when made and such failure (a) has a material adverse effect on the Noteholders of any Class and (b) no correction is made for a period of 30 days after the Portfolio Manager becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such failure;
- (D) any procedure being commenced with a view to the winding-up or reorganisation of the Portfolio Manager (except a voluntary liquidation for the purpose of a reconstruction or amalgamation) or with a view to the appointment of an administrator, receiver, administrative receiver or trustee in relation to the Portfolio Manager or any of its assets and such procedure or appointment is likely to have a material adverse change in the financial condition or business of the Portfolio Manager, (ii) the Portfolio Manager becoming unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or admitting its inability to pay its debts as and when they fall due or seeking a composition or arrangement with its creditors as a whole or any class of them, or (iii) there is a permanent material adverse change in the financial condition or business of the Portfolio Manager which is likely to adversely affect the ability of the Portfolio Manager to perform its obligations under the Portfolio Management Agreement or under the Trust Deed;
- (E) the occurrence and continuation of a Note Event of Default specified in paragraph (i) or (ii) of Condition 10(a) (*Note Events of Default*) and the Trustee is of the opinion that such Note Event of Default results from a breach by the Portfolio Manager of its duties under the Portfolio Management Agreement;
- (F) the Portfolio Manager or any of its senior executive officers being convicted by a court of competent jurisdiction of any action that constitutes fraud or criminal activity whilst carrying out its portfolio management activities; or
- (G) the Portfolio Manager ceasing to be permitted to act as such under the laws of England and Wales or Ireland.

Pursuant to the terms of the Portfolio Management Agreement:

- (A) the Portfolio Manager may be removed upon the occurrence of a Portfolio Manager Event of Default upon 30 days' prior written notice (or in the case of a Portfolio Manager Event of Default pursuant to paragraph (F) of the definition thereof, upon 10 Business Days prior written notice being

delivered) to the Portfolio Manager by the Trustee (who shall notify each Hedge Counterparty) acting upon the instructions of an Ordinary Resolution of the Class A-R Noteholders (or, if the Class A-R Notes are held entirely in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind such Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), or upon redemption in full of the Class A-R Notes, the instructions of an Ordinary Resolution of the holders of each Class of Notes (acting independently (excluding any such Class held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person)), or by the Issuer (in its own discretion). In determining the quorum for any meeting of such holders or whether the holders of the requisite percentage of Notes have given any such direction, notice or consent, Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person shall be disregarded and deemed not to be Outstanding; and

- (B) upon the occurrence of a removal or resignation of the Portfolio Manager, the Controlling Class and the Subordinated Noteholders will have certain rights with respect to the appointment of a successor portfolio manager, as more fully described in the Portfolio Management Agreement.

The Issuer acknowledges that the rights of the Controlling Class to participate in the selection or removal of the Portfolio Manager following a Portfolio Manager Event of Default, as described above, are the rights of a creditor to exercise remedies upon the occurrence of an event of default.

11. **Enforcement**

(a) ***Security Becoming Enforceable***

Subject as provided in this Condition 11(b) and (c) below, the security constituted under the Trust Deed and the Euroclear Pledge Agreement shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) ***Enforcement***

At any time after the Notes become due and payable and the security under the Trust Deed becomes enforceable, the Trustee may in its discretion or shall if so directed by an Ordinary Resolution of the Controlling Class institute such proceedings or take any other action against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral, in whole or in part and/or take such action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral, such action, "**Enforcement Action**", which term includes any other action which the Trustee may deem to fall within such definition, in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), to the effect of such action on individual Noteholders of such Class or any other Secured Party provided however that:

- (i) no such Enforcement Action may be taken by the Trustee unless:

- (A) the Trustee (or an Appointee on its behalf, including without limitation, the Portfolio Manager) (an "**Enforcement Agent**") determines that the anticipated proceeds realised from such Enforcement Action (after deducting any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**"); or
- (B) if the Enforcement Threshold will not have been met then:
 - (1) in the case of a Note Event of Default specified in sub-paragraph (i) (*Non-payment of interest*), (ii) (*Non-payment of principal*) or (iv) (*Collateral Debt Obligations*) of Condition 10(a) (*Events of Default*), the Controlling Class acting by way of Ordinary Resolution (and no other Class of Notes) directs the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or
 - (2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution direct the Trustee to take Enforcement Action.

The Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class or in the case of Condition 11(b)(i)(B)(2) (*Enforcement*), each Class of Rated Notes as applicable, acting by Ordinary Resolution and, in each case, the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith. Following redemption and payment in full of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

- (ii) the Enforcement Agent shall determine the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain (with the cooperation of the Portfolio Manager, to the extent the Enforcement Agent is not the Portfolio Manager), bid prices with respect to each asset comprising the Portfolio from two recognized dealers at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Enforcement Agent (with the cooperation of the Portfolio Manager to the extent the Enforcement Agent is not the Portfolio Manager), is only able to obtain bid prices with respect to an asset from one recognized dealer at the time making a market therein, the Enforcement Agent shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. In addition, for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the Trustee may obtain and rely on an opinion of an independent investment banking firm, or other

appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders (in accordance with Condition 16 (*Notices*)), the Issuer, the Agents, the Trustee and each Rating Agency in the event that the Enforcement Agent makes an Enforcement Threshold Determination at any time. The Trustee shall notify such persons and the Portfolio Manager if it takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(d) (*Redemption following a Note Tax Event*), Interest Proceeds, Principal Proceeds (or, on the Issue Date, an amount equal to any Excess Par Amount only), Collateral Enhancement Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral and any Swap Tax Credits and any amounts standing to the credit of the Non-Euro Account which represent Sale Proceeds, prepayments or redemptions (in each case excluding amounts representing Scheduled Periodic Asset Swap Issuer Payments) in respect of Non-Euro Obligations which in each case are required to be paid or returned to a Hedge Counterparty subject to and in accordance with the terms of an Asset Swap Transaction and which shall be so paid or returned outside the Priorities of Payment), shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority on the applicable Redemption Date but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

- (A) prior to an enforcement of the Notes in accordance with this Condition 11(b) (*Enforcement*), to the payment of (i) taxes or statutory fees (other than any Irish corporation tax in relation to the Issuer Profit referred to in (ii) below, owing by the Issuer and certified as such by a director of the Issuer due in respect of the related Due Period (save for any VAT or other tax payable in relation to any amount payable to a party pursuant to the Priorities of Payment (which may be used by the Issuer to satisfy any corporation tax payable thereon); and (ii) the Issuer Profit;
- (B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of the related Due Period; provided that the Senior Expenses Cap shall not apply in respect of Trustee Fees and Expenses arising during the period from (and including) the date of the occurrence of a Note Event of Default to (and including) the date upon which such Note Event of Default is cured or waived and any Trustee Fees and Expenses outstanding as at the date of the occurrence of such Note Event of Default, and such Trustee Fees and Expenses shall not be taken into account in any determination regarding whether the Senior Expenses Cap is exceeded;
- (C) to the payment of Administrative Expenses in relation to each item thereof, in the order of priority specified in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above that is payable as Trustee Fees and Expenses; provided that (i) upon an acceleration of the Notes in accordance with Condition 10(b)(*Acceleration*) the Senior Expenses Cap shall not apply in respect of Administrative Expenses unless and until such acceleration has been rescinded and annulled in accordance with Condition 10(c)(*Curing of Default*) and (ii) following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;

- (D) to the payment on a *pro rata basis and pari passu*, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the Non-Euro Account) and Interest Rate Hedge Issuer Termination Payments and Asset Swap Issuer Termination Payments (other than Defaulted Interest Rate Hedge Issuer Termination Payments and Defaulted Asset Swap Counterparty Issuer Termination Payments) (to the extent not paid or provided for out of the Interest Rate Hedge and Asset Swap Termination Receipt Account or the Interest Account);
- (E) to the payment:
 - (1) *firstly* to the Portfolio Manager, of the Senior Portfolio Management Fee due and payable on such date and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority); and
 - (2) *secondly*, to the Portfolio Manager, of any previously due and unpaid Senior Portfolio Management Fees and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority);
- (F) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class X-R Notes and the Class A-R Notes;
- (G) to the redemption on a *pro rata and pari passu* basis of the Class X-R Notes and the Class A-R Notes, until the Class X-R Notes and the Class A-R Notes have been redeemed in full;
- (H) to the payment on a *pro rata and pari passu* basis of all Interest Amounts due and payable on the Class B-R Notes;
- (I) to the redemption on a *pro rata and pari passu* basis of the Class B-R Notes, until the Class B-R Notes have been redeemed in full;
- (J) to the payment on a *pro rata and pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C-R Notes;
- (K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C-R Notes;
- (L) to the redemption on a *pro rata and pari passu* basis of the Class C-R Notes, until the Class C-R Notes have been redeemed in full;
- (M) to the payment on a *pro rata and pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D-R Notes;
- (N) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class D-R Notes;
- (O) to the redemption on a *pro rata and pari passu* basis of the Class D-R Notes, until the Class D-R Notes have been redeemed in full;
- (P) to the payment on a *pro rata and pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E-R Notes;
- (Q) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class E-R Notes;

- (R) to the redemption on a *pro rata and pari passu* basis of the Class E-R Notes, until the Class E-R Notes have been redeemed in full;
- (S) to the payment on a *pro rata and pari passu* basis of all Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F-R Notes;
- (T) to the payment on a *pro rata and pari passu* basis of any Deferred Interest on the Class F-R Notes;
- (U) to the redemption on a *pro rata and pari passu* basis of the Class F-R Notes, until the Class F-R Notes have been redeemed in full;
- (V) to the payment of Trustee Fees and Expenses, to the extent not paid by reason of the Senior Expenses Cap in respect of the related Due Period (if any);
- (W) to the payment of unpaid Administrative Expenses (in the order of priority specified in the definition thereof) to the extent not paid by reason of the Senior Expenses Cap in respect of the related Due Period (if any) *provided* that following an enforcement of security pursuant to Condition 11 (*Enforcement*) and the Trust Deed, payments may only be made hereunder to Secured Parties;
- (X) to the payment:
 - (1) *firstly*, to the Portfolio Manager of the Subordinated Portfolio Management Fee due and payable on such date and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority);
 - (2) *secondly*, to the Portfolio Manager of any previously due and unpaid Subordinated Portfolio Management Fee including any Deferred Subordinated Portfolio Manager Amounts and any VAT in respect thereof (whether payable to the Portfolio Manager or directly to the relevant tax authority) and plus any accrued but unpaid interest thereon in accordance with the Portfolio Management Agreement; and
 - (3) *thirdly*, to the repayment of any Portfolio Manager Advances and any interest thereon;
- (Y) to the payment on a *pro rata* basis of any Defaulted Asset Swap Issuer Termination Payments and Defaulted Interest Rate Hedge Issuer Termination Payments due to any Hedge Counterparty; and
- (Z)
 - (1) until the Incentive Management Fee IRR Threshold has been reached, any remaining Interest Proceeds and Principal Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by the Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption); and
 - (2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such date, the Incentive Management Fee IRR Threshold has been reached (on or prior to such date):

- (a) *firstly*, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Portfolio Manager as an Incentive Management Fee;
- (b) *secondly*, to the payment of any VAT in respect of the Incentive Management Fee referred to in (a) above (whether payable to the Portfolio Manager or directly to the relevant tax authority); and
- (c) *thirdly*, any remaining Interest Proceeds and Principal Proceeds, to the payment of principal on the Subordinated Notes on a *pro rata* basis and thereafter to the payment of interest on a *pro rata* basis on the Subordinated Notes (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, in the event that any amount on account of any: (i) withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any tax authority; or (ii) other tax is payable in respect of any payment made under this Condition 11(b)(ii) (*Enforcement*), such amount shall be paid to the relevant tax or other governmental authority or the relevant Secured Party entitled to it (as the case may be) at such time as the relevant payment under this Condition 11(b)(ii) (*Enforcement*) is made.

(c) ***Only Trustee to Act***

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party is entitled to proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. Any proceeds received by a Noteholder or other Secured Party pursuant to any such proceedings brought by a Noteholder or other Secured Party shall be paid promptly following receipt thereof to the Trustee for application pursuant to the terms hereof. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of Payment, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer except to the extent permitted under the Trust Deed.

(d) ***Purchase of Collateral by Noteholders***

Upon any sale of any part of the Collateral following the security in respect thereof becoming enforceable, whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder may (but shall not be obliged to) bid for and purchase the Collateral or any part thereof and, upon compliance with the terms of sale, may hold, retain, possess or dispose of such property in its or their own absolute right without accountability. In addition, any purchaser in any such sale which is a Noteholder may deliver Notes held by it in place of payment of the purchase price

for such Collateral where the amount payable to such Noteholder in respect of such Notes pursuant to the Priorities of Payment is equal to or exceeds the purchase moneys so payable.

12. **Prescription**

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

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

13. **Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

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

(a) ***Provisions in Trust Deed***

The Trust Deed contains provisions for convening meetings of the Noteholders (or of passing Written Resolutions) to consider matters affecting the interests of the Noteholders, including without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) ***Decisions and Meetings of Noteholders***

(i) ***General***

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

The holder of each Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €10,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged. The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects only the holders of one or more Classes of Notes, in which event the required quorum

and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution shall be determined by reference only to the holders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

(ii) ***Quorum***

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

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of the Noteholders or the Noteholders of a certain Class	One or more persons holding or representing not less than 66⅔ per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented
Ordinary Resolution of the Noteholders or the Noteholders of a certain Class	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes or the Notes of the relevant Class so held or represented

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

In connection with:

- (A) a PM Removal Resolution or a PM Replacement Resolution, no Notes held in the form of PM Non-Voting Exchangeable Notes or PM Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) entitle a holder thereof to vote in respect of any such PM Removal Resolution or PM Replacement Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such PM Removal Resolution or PM Replacement Resolution; and
- (B) a PM Removal Resolution or a PM Replacement Resolution, no Notes held by or on behalf of the Portfolio Manager or a Portfolio Manager Related Person shall (A) constitute or form part of the Controlling Class, (B) entitle a holder thereof to vote in respect of any such PM Removal Resolution or PM Replacement Resolution; or (C) be counted for the purposes of determining a quorum or the result of voting in respect of any such PM Removal Resolution or PM Replacement Resolution.

(iii) ***Minimum Voting Rights***

Set out in the table "*Minimum Percentage Voting Requirements*" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) if such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons entitled to vote any applicable Notes who votes or vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of the Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Minimum percentage
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	At least 66 2/3 per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Greater than 50 per cent.

(iv) ***Written Resolutions***

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

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

Any Resolution of all Classes of Noteholders or any Class of Noteholders duly passed shall be binding on all Noteholders (regardless of Class), or as the case may be, all the Noteholders of such Class, regardless of whether or not a Noteholder was present at the meeting at which the relevant Resolution was passed.

(vi) ***Extraordinary Resolution***

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution of each Class of Notes in addition to any other matter specified in the Trust Deed, the Portfolio Management Agreement or the relevant Transaction Document requiring sanction by way of Extraordinary Resolution:

- (A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity and/or cash, save for a Refinancing;
- (B) the modification of any provision relating to the timing and/or circumstances of redemption (other than modification to remove the right of the Subordinated Noteholders or any other party to direct the Issuer to redeem by refinancing the Class(es) of Notes subject to a Refinancing) of the Notes of the relevant Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated),

or any date fixed for payment of principal or interest, the reduction of the amount of principal or interest payable, or the modification of the method of calculation of the amount of any payment on redemption or maturity or the date for any such payment, save for a Refinancing;

- (C) 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, save for a Refinancing;
- (D) the adjustment of the outstanding principal amount of the Notes Outstanding of any Class other than in connection with a further issuance of Notes pursuant to Condition 17 (*Additional Issuances*);
- (E) a change in the currency of payment of the Notes or any class thereof;
- (F) any change in the Priorities of Payment;
- (G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass an Extraordinary Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes of any Class Outstanding;
- (H) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;
- (I) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document; and
- (J) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(vii) ***Ordinary Resolution***

Any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above.

(c) ***Modification and Waiver***

The Trust Deed and the Portfolio Management Agreement both provide that, without the consent of the Noteholders (other than where consent of the Controlling Class is required as provided below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Portfolio Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto, which consent shall be conclusively evidenced by the entry of the relevant party into any deed or document intended to amend such Transaction Document and which consent shall, with respect to the Trustee, be required to be given (other than pursuant to paragraphs (x) and (xi) below), upon receipt of the certification from the Issuer referred to in this Condition), for any of the following purposes:

- (i) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power in the Trust Deed or the Portfolio Management Agreement (as applicable) conferred upon the Issuer;
- (ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;
- (iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as

- a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;
- (iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee pursuant to the requirements of the relevant provisions of the Trust Deed in each case subject to receipt of Rating Agency Confirmation;
 - (v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the Irish Stock Exchange or any other exchange;
 - (vi) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to (or otherwise to reduce such taxes, fees or assessments) withholding or other taxes, fees or assessments;
 - (vii) to take any action advisable to prevent the Issuer from being (or reduce the risk of the Issuer being) treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to or responsible for any VAT in respect of any Portfolio Management Fees or as subject to (or otherwise to reduce such taxes, fees or assessments) (or its representative being subject to) any diverted profits or similar tax;
 - (viii) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;
 - (ix) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Portfolio Management Agreement (as applicable);
 - (x) to make any other modification of any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error;
 - (xi) to make any other modification (save as otherwise provided in the Trust Deed, the Portfolio Management Agreement or the relevant Transaction Document), and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders of any Class;
 - (xii) to amend the name of the Issuer;
 - (xiii) to enable the Issuer to comply with FATCA or any other similar regime for reporting and exchanging tax information;
 - (xiv) to facilitate compliance by the Issuer with the FTT or any other financial transaction tax to which it becomes subject;
 - (xv) to modify or amend any components of the S&P Matrix or the Fitch Tests Matrix in each case subject to Rating Agency Confirmation from the applicable Rating Agency and the consent of the Controlling Class acting by way of Extraordinary Resolution;
 - (xvi) to make any changes necessary to permit any additional issuances of Notes or to issue replacement notes in accordance with these Conditions;
 - (xvii) to (i) evidence any waiver or modification by any Rating Agency in its rating methodology or as to any requirement or condition, as applicable, of such

- Rating Agency set forth in the Transaction Documents and in respect of which Rating Agency Confirmation has been received from the applicable Rating Agency and the consent of the Controlling Class acting by way of Extraordinary Resolution has been obtained; or (ii) to conform the Transaction Documents to the Prospectus;
- (xviii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;
 - (xix) to modify the Transaction Documents in order to comply with EMIR, the AIFMD, the Dodd-Frank Act, the CRA, Solvency II, any requirements of the CFTC and the CRS, including any implementing regulation, technical standards and guidance related thereto;
 - (xx) to make any modification to any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document to (A) comply with any changes in the Retention Requirements or which result from the implementation of the Retention Requirements or any other risk retention legislation or regulations or official guidance or (B) the Portfolio Manager determines are required to accommodate any Retention Cure Action;
 - (xxi) to modify the restrictions on and the procedures for re-sales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) to enable the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale or transfer to the extent not required thereunder;
 - (xxii) to accommodate the settlement of the Notes in book-entry form through the facilities of Euroclear and/or Clearstream, Luxembourg or otherwise;
 - (xxiii) to reduce the permitted Minimum Denomination of the Notes; provided that any such reduction in Minimum Denomination shall not result in a material disadvantage to Noteholders or the Issuer in respect of any legal or regulatory requirement or tax treatment of the Issuer;
 - (xxiv) to change the date within the month on which reports are required to be delivered;
 - (xxv) 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*);
 - (xxvi) to modify the Transaction Documents in terms agreed by the parties thereto for the purpose of complying with or implementing the STS Regulation in the form that comes into force including any implementing regulation, technical standards and official guidance related thereto;
 - (xxvii) to modify the restrictions on and procedures for resales and other transfers of Notes and to make any other modification of any of the provisions of the Trust Deed, the Portfolio Management Agreement or any other Transaction Document to reflect any changes in the Foreign Safe Harbour or corresponding exemption (or the interpretation thereof) to enable the Retention Holder to continue relying upon such exemption from compliance with the U.S. Retention Rules;
 - (xxviii) subject to Rating Agency Confirmation (other than to the extent otherwise permitted pursuant to Condition 14(c)(viii) (*Modification and Waiver*) above) or such Hedge Agreement being a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge following such amendment, to amend, modify or supplement any Hedge Agreement to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or

regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement; and

(xxix) amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Portfolio Manager and subject to receipt of Rating Agency Confirmation (unless any such amended or modified Hedge Agreement constitutes a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge).

Any such modification, authorisation or waiver shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable following the execution of any trust deed supplemental to the Trust Deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

- (A) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency; and
- (B) the Noteholders in accordance with Condition 16 (*Notices*).

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as specified above) or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (other than a modification, waiver or supplement pursuant to paragraphs (x) or (xi) above) to the Transaction Documents, which the Issuer certifies is necessary and upon which certification the Trustee may rely absolutely provided that the Trustee shall not be obliged to agree to any modification which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraphs (x) and (xi) above, the Trustee may impose such conditions as it sees fit and under no circumstances shall the Trustee be required to give such consent on less than 21 days' notice and the Trustee shall be entitled to obtain legal, financial and/or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether to give such consent as it sees fit.

Notwithstanding anything to the contrary herein or in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change would have a material adverse effect on the rights of a Hedge Counterparty, without such Hedge Counterparty's prior written consent.

The Issuer shall notify each Hedge Counterparty of any proposed amendment to any provisions of the Transaction Documents and seek the consent of such Hedge Counterparty in respect thereof, in each case to the extent required in accordance with and subject to the terms of the relevant Hedge Agreement. For the avoidance of doubt such notice shall only be given and such consent shall only be sought to the extent required in accordance with the Trust Deed and/or the terms of the relevant Hedge Agreement.

(d) ***Substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previously substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating

Agency Confirmation (subject to receipt of such information and/or opinions as any Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully effective and complies with such other requirements which are in the interests of the Noteholders as it may direct.

The Issuer shall procure that, so long as the Notes are listed on the regulated market of the Irish Stock Exchange any material amendments or modifications to the Conditions of the Notes, the Trust Deed or such other conditions made pursuant to this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) ***Entitlement of the Trustee and Conflicts of Interest***

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

The Trust Deed provides that in the event of any conflict of interest between the holders of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes, the Trustee shall give priority to the interests of (i) the Class X-R Noteholders and the Class A-R Noteholders over the Class B-R Noteholders, the Class C-R Noteholders, the Class D-R Noteholders, the Class E-R Noteholders, the Class F-R Noteholders and the Subordinated Noteholders, (ii) the Class B-R Noteholders over the Class C-R Noteholders, the Class D-R Noteholders, the Class E-R Noteholders, the Class F-R Noteholders and the Subordinated Noteholders, (iii) the Class C-R Noteholders over the Class D-R Noteholders, the Class E-R Noteholders, the Class F-R Noteholders and the Subordinated Noteholders, (iv) the Class D-R Noteholders over the Class E-R Noteholders, the Class F-R Noteholders and the Subordinated Noteholders, (v) the Class E-R Noteholders over the Class F-R Noteholders and the Subordinated Noteholders and (iv) the Class F-R Noteholders over the Subordinated Noteholders. If the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class given priority as described in this paragraph), each representing less than the majority by principal amount of the Controlling Class (or other Class given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater principal amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances (subject

to being indemnified and/or secured and/or prefunded to its satisfaction), and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes.

In addition, the Trust Deed provides that in the event of any conflict of interest between the Noteholders (or any Class thereof) and any other Secured Party, the interests of the Noteholders will prevail.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or such party without accounting for any profit. The Trustee is exempt from any liability in respect of any loss or theft or reduction of value of the Collateral, from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held in a Clearing System by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian, the Account Bank or any Hedge Counterparty satisfies the Rating Requirement applicable to it, or in the event of its failure to satisfy such Rating Requirement to procure the appointment of a replacement Custodian, Account Bank or Hedge Counterparty. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the Portfolio Manager of any of its duties under the Portfolio Management Agreement, for the performance by the Collateral Administrator of its duties under the Portfolio Management Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Portfolio Manager to release any of the Collateral from time to time. The Trustee is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trustee shall accept, without investigation, requisition or objection to, such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange. Any such notice shall be deemed to have been given three days (in the case of inland mail) or seven days (in the case of overseas mail) after the date of despatch thereof to the Noteholders.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or a category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders shall be given by, and shall be deemed to have been delivered to, such Noteholders upon delivery of the relevant notice to

that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions, provided that such notice is also made to the Company Announcement Office of the Irish Stock Exchange for so long as such Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require (and such notice shall be deemed given to the Noteholder upon such delivery by or on behalf of the Issuer).

The Issuer shall procure that, so long as the Notes are listed on the Irish Stock Exchange, any material amendments or modifications to these Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

17. Additional Issuances

- (a) The Issuer may from time to time, subject to the approval of the Class A-R Noteholders acting by Ordinary Resolution (for so long as any Class A-R Notes are Outstanding), the Subordinated Noteholders acting by Ordinary Resolution and the Retention Holder in writing, create and issue further Notes (other than the Class X-R Notes) having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations and, in the case of the issuance of additional Subordinated Notes only, for application towards Permitted Uses, provided that in each case the following conditions are met:
 - (i) such additional issuances in relation to the applicable Class of Notes may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;
 - (ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Debt Obligations or, pending such investment deposited in the Principal Account and, in each case, invested in Eligible Investments (save with respect to Subordinated Notes which proceeds may be issued for Permitted Uses);
 - (iii) such additional Notes must be of each Class of Notes (other than the Class X-R Notes) and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes (excluding the Class X-R Notes) existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance (save with respect to additional Subordinated Notes as described in paragraph (b) below);
 - (iv) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Notes must be identical to the terms of the previously issued Notes of the applicable Class of Notes;
 - (v) the Issuer must notify the Rating Agencies then rating any Notes of such additional issuance and (save with respect to additional Subordinated Notes as described in paragraph (b) below) obtain Rating Agency Confirmation from each Rating Agency in respect of such additional issuance;
 - (vi) the Coverage Tests are satisfied or if not satisfied the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes by reference to the outcome of such tests immediately prior to such additional issuance of Notes;
 - (vii) after giving effect to such additional issuance of Notes, and for so long as any Notes rated by S&P are Outstanding, the S&P CDO Monitor Test is satisfied;

- (viii) the holders of each Class of Notes in respect of which further Notes are issued shall have been notified in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally provided that this paragraph (vii) shall not apply in respect of the additional issuance of Subordinated Notes if such additional issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*);
 - (ix) (so long as the existing Notes of the Class of Notes to be issued are listed on the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the requirements of the Irish Stock Exchange and are listed on the regulated market of the Irish Stock Exchange;
 - (x) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the tax position of the Issuer;
 - (xi) the Issuer and the Trustee will have received advice of tax counsel of nationally recognised standing in the United States experienced in such matters to the effect that any additional Class A-R Notes, Class B-R Notes, Class C-R Notes, and Class D-R Notes will be treated, and any additional Class E-R Notes should be treated, as indebtedness for US federal income tax purposes, *provided, however, that* the advice of tax counsel described in this clause (xi) will not be required with respect to any additional Notes that bear a different International Securities Identification Number (or equivalent identifier) from the Notes of the same Class that were issued on the Issue Date and are Outstanding at the time of the additional issuance;
 - (xii) any issuance of additional Rated Notes shall be accomplished in a manner that will allow the Issuer to provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1) to the holders of such additional Notes;
 - (xiii) the Issuer shall concurrently issue, and the Retention Holder shall purchase and hold on the terms of the Risk Retention Letter, sufficient additional Subordinated Notes such that, after giving effect to the additional issuance and after the receipt by the Issuer of the proceeds thereof into the Principal Account, the Retention Holder shall hold Subordinated Notes with a Principal Amount Outstanding equal to not less than 5 per cent. of the Aggregate Collateral Balance; and
 - (xiv) any issuance of replacement notes would not result in non-compliance with the Retention Requirements.
- (b) In addition to the requirements in paragraph (a) above, the Issuer may issue and sell additional Subordinated Notes (without issuing Notes of any other Class) provided that:
- (i) the subordination terms of such Subordinated Notes are identical to the terms of the previously issued Subordinated Notes;
 - (ii) the terms (other than the date of issuance, the issue price and the date from which interest will accrue) of such Subordinated Notes must be identical to the terms of the previously issued Subordinated Notes;
 - (iii) such additional Subordinated Notes are issued for a cash sale price (the net proceeds of which to be applied towards Permitted Uses);

- (iv) the Issuer must notify the Rating Agencies then rating any Notes, of such additional issuance;
- (v) the holders of the Subordinated Notes shall have been notified by the Issuer in writing 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Subordinated Notes in an amount not to exceed the Anti Dilution Percentage of such additional Subordinated Notes and on the same terms offered to investors generally; provided that this paragraph (v) shall not apply if such issuance is required in order to prevent or cure a Retention Deficiency for any reason including but not limited to where such Retention Deficiency will occur due to an additional issuance of any Class of Notes pursuant to this Condition 17 (*Additional Issuances*); and
- (vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and does not adversely affect the tax position of the Issuer.

References in these Conditions to the "Notes" include (unless the context requires otherwise) any Notes issued pursuant to this Condition 17 (*Additional Issuances*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed shall be constituted by a deed supplemental to the Trust Deed.

18. **Third Party Rights**

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

19. **Governing Law**

- (a) **Governing Law** The Trust Deed and the Notes of each Class and any dispute, controversy, proceedings or claim of whatever nature (whether contractual or non-contractual) arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law. The Euroclear Pledge Agreement is governed by and shall be construed in accordance with Belgian law. The Issuer Corporate Services Agreement is governed by and shall be construed in accordance with Irish law.
- (b) **Jurisdiction** The courts of England are to have jurisdiction to settle any disputes (whether contractual or non-contractual) which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process** The Issuer appoints TMF Global Services (UK) Limited as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders (in accordance with Condition 16 (*Notices*)) of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €278,007,800. Such proceeds will be used by the Issuer together with certain Principal Proceeds and Interest Proceeds in accordance with the Conditions of the Notes to (i) redeem the Refinanced Notes at their respective aggregate Redemption Prices, (ii) pay certain Administrative Expenses (including Refinancing Costs) and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions and (iii) pay certain other amounts, including distributions to Subordinated Noteholders, in accordance with the Post-Acceleration Priority of Payments (as set out in the Issue Date Payments Report annexed hereto at Annex C).

DOCUMENTS INCORPORATED

The audited financial statements of the Issuer as at and for the years ended 31 December 2014 (accessible at <http://ise.ie/app/announcementDetails.aspx?ID=13179662>) and 31 December 2015 (accessible at <http://ise.ie/app/announcementDetails.aspx?ID=13179692>), together with the audit reports thereon, have been filed with the Irish Stock Exchange and shall be deemed to be incorporated in, and to form part of, this Prospectus.

FORM OF THE NOTES

The following is a description of the Global Certificates and the Definitive Certificates which does not purport to be complete and is qualified by reference to the detailed provisions of such Global Certificates and the Definitive Certificates.

References below to Refinancing Notes and to the Global Certificates and the Definitive Certificates representing such Refinancing Notes are to each respective Class of Notes, except as otherwise indicated.

1. Initial Issue of Notes

The Refinancing Notes which are Regulation S Notes of each Class (other than, in certain circumstances described below, the Class E-R Notes, the Class F-R Notes or the Subordinated Notes) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book-Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. person (as defined in Regulation S) 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 (as defined in Regulation S), and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes to be (a) a non-U.S. person (as defined in Regulation S) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) a person who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Refinancing Notes which are Rule 144A Notes of each Class (other than, in certain circumstances described below, the Class E-R Notes, the Class F-R Notes or the Subordinated Notes) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book-Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Refinancing 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 Trustee 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 Trustee of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made outside the U.S. to a non-U.S. person (as defined in Regulation S) 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 Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Refinancing Notes.

A transferee of a Class E-R Note or Class F-R Note will be required or deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person unless such transferee: (i) acquires such Class E-R Note or Class F-R Note on the Issue Date; (ii) obtains the written consent of the Issuer; and (iii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B).

A transferee of a Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Subordinated Note in the form of a Rule 144A Global Certificate or a Regulation S Global Certificate unless such transferee (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B to this Prospectus); and (iii) holds such Subordinated Note in the form of a Definitive Certificate. Any Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

The Refinancing Notes are not issuable in bearer form.

2. **Exchange for Definitive Certificates**

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear or Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing the Class E-R Note, Class F-R Note or Subordinated Note may be exchangeable for interests in a Definitive Certificate representing the Subordinated Note (as applicable) if a transferee is or is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer with a certification substantially in the form of Annex B to this Prospectus (*Form of ERISA Certificate*).

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and any Transfer Agent is located.

3. **Delivery**

In the event that a Global Certificate is to be so exchanged, the relevant Global Certificate shall be exchanged in full for Definitive Certificates and the Issuer will, at the cost of the Issuer (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or

other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

4. Legends

The holder of a Definitive Certificate may transfer the Refinancing Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex B to this Prospectus. Upon the transfer, exchange or replacement of a Definitive Certificate bearing the legend referred to under "*Transfer Restrictions*", or upon specific request for removal of the legend on a Definitive Certificate, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

BOOK-ENTRY CLEARANCE PROCEDURES

The information set out below is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Placement Agent, the Portfolio Manager or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Refinancing Notes and cross-market transfers of the Refinancing 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 depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly through organisations which are Direct Participants in such Clearing Systems ("**Indirect Participants**") and together with Direct Participants, "**Participants**".

1. Book-Entry Ownership

Euroclear and Clearstream, Luxembourg Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee of the common depository on behalf of, Euroclear and Clearstream, Luxembourg.

2. Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for such person's share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to, and in accordance with, the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Refinancing Notes represented by a Global Certificate, the common depository by whom such Refinancing Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown in the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Refinancing Notes for so long as the Refinancing Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any

aspect of the records relating to, or payments made on account of, ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

3. **Settlement and Transfer of Refinancing Notes**

Subject to the rules and procedures of each applicable Clearing System, purchases of Refinancing Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Refinancing Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Refinancing Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Refinancing 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 Refinancing Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Refinancing Notes held within such Clearing Systems and their records will reflect only the identity of the Direct Participants to whose accounts such Refinancing Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements amongst them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Initial settlement for the Refinancing Notes will be in Euro, following the settlement procedures applicable to conventional Eurobonds, which provide that the Refinancing Notes will be credited to the securities custody accounts of Euroclear or Clearstream, Luxembourg Participants on the Business Day following the settlement date against payment for value on the settlement date.

Trading between Euroclear and/or Clearstream, Luxembourg Participants: Secondary market sales of book-entry interests in the Refinancing Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Refinancing 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 Refinancing Notes be issued with at least the following ratings: the Class X-R Notes "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class A-R Notes "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B-R Notes: "AA(sf)" from S&P and "AAsf" from Fitch; the Class C-R Notes: "A(sf)" from S&P and "Asf" from Fitch; the Class D-R Notes: "BBB(sf)" from S&P and "BBBsf" from Fitch; the Class E-R Notes "BB(sf)" from S&P and "BBsf" from Fitch and the Class F-R Notes "B-(sf)" from S&P and "B-sf" from Fitch. The Subordinated Notes are not rated.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable Rating Agency.

S&P Ratings

S&P will rate the Rated Notes in a manner similar to the manner in which it rates other structured issues. This requires an analysis of the following:

- (a) the credit quality of the portfolio of Collateral Debt Obligations securing the Rated Notes;
- (b) the cash flow used to pay liabilities and the priorities of these payments; and
- (c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied prior to the end of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**S&P CDO Monitor**"), which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Portfolio Manager on or before the Issue Date. The S&P CDO Monitor calculates the cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The S&P CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry concentration and the remaining weighted average maturity of each of the Collateral Debt Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the S&P CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Debt Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Portfolio Manager, the Collateral Administrator, the Trustee or the Placement Agent makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Debt Obligations and the various eligibility requirements that the Collateral Debt Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Debt Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Fitch then determines the level of credit protection necessary based on a specific percentile of the portfolio default distribution determined by the Fitch "Portfolio Credit Model" which takes into account the correlation between assets in the portfolio based on the level of diversification by region, issuer and industry. The results of a statistical analysis are incorporated into a cash flow model built to mimic the structure of the transaction. In this regard, the results of several default scenarios, in conjunction with various qualitative tests (e.g. analysis of the strength of the Portfolio Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not 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 Portfolio Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer was incorporated on 28 May 2013 in Ireland and is a designated activity company limited by shares with unlimited duration, and is registered under number 528119 with the name Harvest CLO VII Designated Activity Company.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the acquisition of the Portfolio, the authorisation and issue of the Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Notes, the Placement Agency Agreement, the Agency Agreement, the Trust Deed, the Portfolio Management Agreement, the Issuer Corporate Services Agreement, each Hedge Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

The registered office of the Issuer is at 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland. The authorised share capital of the Issuer is €100 divided into 100 ordinary shares of €1 each (the "**Issuer Ordinary Shares**"). The Issuer has issued 1 Issuer Ordinary Share, which is fully paid. The Issuer Ordinary Shares are held, directly or indirectly, on trust by TMF Management (Ireland) Limited (as share trustee) for one or more charities. The telephone number of the Issuer at its registered office is +35316146240.

Corporate Purpose of the Issuer

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements as more particularly set out in its Constitution.

Capitalisation of the Issuer

The Issuer's initial proposed capitalisation and indebtedness as of the Issue Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is set forth below:

	Amount
Share Capital	
Issued 1 ordinary share of €1, fully paid up	€1
Total	€1
Indebtedness	
Class X-R Notes	€2,000,000
Class A-R Notes	€174,900,000
Class B-R Notes	€39,200,000
Class C-R Notes	€21,000,000
Class D-R Notes	€14,600,000
Class E-R Notes	€18,600,000
Class F-R Notes	€9,400,000
Subordinated Notes	€42,000,000
Total	€321,700,000

1 Unaudited.

Save as disclosed above, the Issuer has no loan capital outstanding, has not created shares which have not been allotted and has no term loans and no other borrowings or indebtedness in the nature of borrowings nor any contingent liabilities or guarantees.

Administration

TMF Administration Services Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

Directors

The Directors of the Issuer and their business occupations are as follows:

Director	Principal outside activities
Keat Cheng Chin	Director
John Fisher	Director

The Directors will provide management, corporate and administrative services to the Issuer.

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

Business Activity

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the acquisition of the Portfolio, the authorisation and issue of the Original Notes and activities incidental to the exercise of its rights and compliance with its obligations under the Notes, the Placement Agency Agreement, the Agency Agreement, the Trust Deed, the Portfolio Management Agreement, the Issuer Corporate Services Agreement, each Hedge Agreement, the Euroclear Security Agreement and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Financial Statements

The Issuer's financial statements covering the financial year ended 31 December 2014 and 31 December 2015 and the audit reports thereon are incorporated into and form part of this Prospectus. Audited financial statements have been and will be prepared by the Issuer on an annual basis.

The Auditors of the Issuer are Ernst & Young who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland. Ernst & Young were appointed as auditors to the Issuer on 5 July 2013. Ernst & Young's address is Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

DESCRIPTION OF THE PORTFOLIO MANAGER

The information appearing in this section has been prepared by the Portfolio Manager and has not been independently verified by the Placement Agent, the Issuer, the Trustee or any of the Agents. This information has been accurately reproduced from the information provided by the Portfolio Manager and as far as the Issuer is aware and is able to ascertain from information provided by the Portfolio Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Placement Agent, the Trustee or any other party other than the Portfolio Manager assumes any responsibility for the accuracy or completeness of such information.

The Portfolio Manager is a limited liability company incorporated in England under the laws of England and Wales. The Portfolio Manager is authorised and regulated in the United Kingdom by the FCA.

The Portfolio Manager is part of Investcorp S.A., an international alternative investment manager focusing on corporate investments, real estate, alternative investments solutions and credit management across North America, Europe and the MENA region. The Portfolio Manager forms part of "**Investcorp Credit Management**" (or "**ICM**"), the credit management business line of Investcorp S.A. which specialises in the management of third party funds investing in non-investment grade debt issued by medium and large U.S. and European corporations, partnerships or other business issuers. As at 31 December 2016 ICM had approximately €10.6 billion of assets under management across 37 different funds with a team of approximately 48 professionals investing in over 550 companies.

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

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Portfolio Manager since the date of this Prospectus, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Prospectus.

The following is a brief summary of the background and experience of the members of the Investment Committee of the Portfolio Manager, which is the committee responsible for making decisions or recommendations for each investment/disposal/portfolio management trade for all the funds under management in Europe. This is supplemented with information relating to certain employees of the Portfolio Manager who will be directly involved in managing the Collateral on behalf of the Issuer. Such persons may not perform or provide services to the Issuer, and may not necessarily continue to hold such positions or to be employed by the Portfolio Manager for the entire term of the Portfolio Management Agreement.

Jeremy Ghose

Managing Director, Head of Investcorp Credit Management (ICM)

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

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

A veteran of the LBO and M&A markets, Jeremy has over 30 years of relevant experience globally. He was an Executive Officer of Mizuho Corporate Bank, being the first non-Japanese to achieve this status in the bank's history. He holds a B.A. (Honours) degree in Business Administration and is an Associate of the Chartered Institute of Bankers. Jeremy is approved to perform the FCA management controlled functions 3 & 30.

Peter Goody

Chief Operating Officer (COO), Investcorp Credit Management EU Limited (ICM EU)

Peter joined the business in June 2008, initially as CIO, and is currently the COO and a member of the Investment Committee in Europe. Previously, Peter worked for the Royal Bank of Scotland (RBS) as a Senior Director in their Leveraged Finance team which he joined in 1995. Prior to 1995, Peter held various roles also within RBS working latterly in the credit department and lending review (audit) team. Peter has completed the Membership examinations of the Association of Corporate Treasurers and is an Associate of the Chartered Institute of Bankers. Peter is approved to perform FCA controlled functions 1 & 30.

Neil Rickard

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

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

Neil has 19 years' experience within the leveraged finance market and is a qualified accountant. Neil also holds a 2.1 BSc (Hons) in Management and Chemical Sciences and an MSc (Hons) in International Business, both of which were obtained from UMIST.

Barry Lane

Director, Investcorp Credit Management EU Limited

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

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

David Fewtrell

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

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

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

David has over 20 years sales and trading experience in the international syndicated loan and leverage finance market and is one of the pioneers of the modern secondary loan market in Europe. He sat on the board of Directors of the Loan Market Association for over 10 years and was ViceChairman between 2006 and 2009. David holds a Banking Diploma from the Institute of Financial Services and is approved to perform the FCA controlled function 30.

Andrew Strong

Portfolio Manager, Investcorp Credit Management EU Limited

Andrew is a Portfolio Manager at ICM EU, with 11 years at the company having originally joined Mizuho's CLO platform in 2006. Andrew was involved in the transaction to acquire the Invesco Management Contracts in 2012 and subsequently took Portfolio Manager responsibility for these funds. Prior to transitioning to the Portfolio Manager role, Andrew was a credit analyst with specific focus on the consumer sector.

Andrew began his career within the Credit Risk and Portfolio Management department at Mizuho Corporate Bank in 2005 before moving to Mizuho's CLO team. Andrew graduated from Brunel University with a First Class Honours degree in Economics and Business Finance.

David Stanbrook

Credit Analyst, Investcorp Credit Management EU Limited David joined the Credit Management Group in June 2011 and is a member of the European Investment Committee. He is also responsible for investments in the Construction sector. Prior to this, David spent over 4 years at Resource Europe, a top performing CLO manager, where he was a key-man and director. David previously spent 11 years at The Sumitomo Trust & Banking Co., Ltd, latterly as the Head of the Leveraged Loan Investment Department overseeing a £400m portfolio consisting primarily of LBO, acquisition finance and structured finance transactions. David also worked for Standard Chartered Bank for 13 years, latterly as a credit analyst in the Credit Risk Management Department. He qualified as an Associate of Chartered Institute of Bankers in 1991.

Richard Keast

Credit Analyst, Investcorp Credit Management EU Limited

Richard joined the Credit Management Group in November 2012 and is responsible for analysing new debt investment opportunities primarily in the Technology, Media and Telecom (TMT) sector. Richard joined from Lloyds Banking Group where he worked as a Leverage Analyst in the Acquisition Finance team for 2 years. Prior to this he spent 5 years at Allied Irish Bank having completed their graduate programme and held positions in Credit and later as a Relationship Manager. Richard graduated from Surrey University achieving a 2.1 in Business Management with Risk and Finance.

Max Elliott-Taylor

Credit Analyst, Investcorp Credit Management EU Limited

Max joined the Credit Management Group in June 2014, prior to this he worked as an analyst at L&G Capital, a business unit of Legal & General. Max graduated with a First Class Honours degree in Economics from the University of Leeds in 2012.

Matthew Coleman

Credit Analyst, Investcorp Credit Management EU Limited

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

Damien Lui

Credit Analyst, Investcorp Credit Management EU Limited

Damien joined the Credit Management Group in 2007 and is primarily responsible for assessing new debt investment opportunities in the industrial and chemicals sectors. Prior to this he worked for the credit department of Mizuho Corporate Bank and across a variety of roles at the National Australia Bank in Melbourne. He holds a BCom and BSc, obtained from the University of Melbourne, and was awarded the CFA designation in 2004.

James Brailey

Credit Analyst, Investcorp Credit Management EU Limited

James joined the Credit Management Group in December 2014 and is primarily responsible for investments in the Consumer Goods sector. James joined from Lloyds Banking Group where he worked in the Acquisition Finance team for 4 years and prior to this, James worked in the leveraged debt investment team at Babson Capital Europe. James started his career at Deloitte working within both Audit and Transaction Services, where he qualified as a Chartered Accountant in 2005. James graduated from Durham University with an MA in Management.

Clement Le Lagadec

Credit Analyst, Investcorp Credit Management EU Limited

Clement joined the Credit Management Group in March 2015 covering predominantly French companies across multiple sectors. Prior to his current role, he spent 2 years working in the Leveraged Funds team at BNP Paribas. Clement graduated from Paris Dauphine University with a Master 2 in Bank, Finance and Insurance.

Mikael de Pedro Nejjaï

Portfolio Management Support, Investcorp Credit Management EU Limited

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

Mark Newman

Senior Counsel to Investcorp Credit Management EU Limited

Mark is Senior Counsel to ICM EU, responsible for the provision of internal and external legal advice and resource. Mark joined ICM EU in 2017 as part of the debt management team acquired from 3i Debt Management Investments Limited. Prior to joining ICM EU, Mark worked with 3i Debt Management Investments Limited from 1995 to 2017 and has gained wide experience of 3i's business with particular focus on its funding, fund raisings (both private LP funds and publicly listed funds) and the acquisitions undertaken by 3i for its own business development. Mark's background is in banking law and the credit markets. Prior to joining 3i Debt Management Investments Limited Mark spent nearly 11 years with Allen & Overy where he trained, qualified and worked in their Banking and Capital Markets teams typically advising banks on general corporate loans, project financings, large scale corporate restructurings and other debt capital markets events. Mark served an 18 month secondment to the NatWest loans syndication desk and holds an LLB (Hons) degree from Reading University.

Thomas Page

Director, Investcorp Credit Management EU Limited

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

Lisa Johnson

Director, Investcorp Credit Management EU Limited

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

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

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

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

Sanjay Kohli

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

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

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

Melissa Tessier

Director, Investcorp Credit Management EU Limited

Melissa is a Director for ICM EU with responsibility for fundraising in the Continental Europe regions. She joined 3i Debt Management Investments Limited, the predecessor to ICM EU, in 2012 from Cantor Fitzgerald, where she focused on origination and distribution of European and US Collateralised Loan Obligations (CLOs) and other leveraged credit products. Prior to that Melissa held a number of credit roles on both the sell-side and the buy-side; from 2006-2009 at Bank of America Merrill Lynch, where she was responsible for primary market CLO syndication, and at AXA Investment managers from 2001-2006, where she focused first on high yield fund management, then on the structuring and marketing of AXA IM-managed funds.

Melissa has over 17 years' experience in credit markets. She holds double BA degrees in Economics and Political Science from the University of California at Davis and attended the Institut d'Etudes Politiques in France. Melissa is approved to perform the FCA controlled function 30.

Masaaki Fudeuchi

Senior Director, Investcorp Credit Management EU Limited

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

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

Jakob Mattsson

Associate, Investor Relations, Investcorp Credit Management EU Limited

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

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

Camilla Campion-Awwad

Associate, Investor Relations, Investcorp Credit Management EU Limited

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

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

Kieran Carmody

Director, Investcorp Credit Management EU Limited

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

Alan Sawyer

Associate, Investcorp Credit Management EU Limited

Alan joined ICM EU, previously 3i Debt Management Investments Limited, in November 2011, where he is responsible for the Primary / Secondary Loan Closing and Bond Settlements for the Fund Administration team. Alan has 24 years of banking experience, working at Deutsche Bank AG, London for four years prior to joining the company, dealing with the U.S. and European Loan Closing Markets.

Sean Ferris

Associate Director, Investcorp Credit Management EU Limited

Sean joined ICM EU, previously 3i Debt Management Investments Limited, in August 2012, where he is responsible for the administration of the funds collateral from purchase, through the hold period to

sale or redemption. Prior to this Sean was a Team Leader at Deutsche Bank working on the Structured Finance Desk working as collateral administrator and trustee on a wide range of CLOs, funds and structured vehicles in Europe. Sean has over 10 years' experience in investment banking and has a 2.1 BA/BSc (Hons) degree in Sociology and American Studies from the University of Derby.

Sehar Mahmood

Associate Director, Investcorp Credit Management EU Limited

Sehar joined ICM EU, previously 3i Debt Management Investments Limited, in October 2014, where she is responsible for monitoring the funds and investor reporting. Sehar previously spent four years at US Bank as a senior analyst on the trustee side working on various CLOs including the 3i deals. Prior to this, Sehar has worked at Deutsche Bank and Lloyds Banking Group in analyst roles. Sehar has an Economics degree from Royal Holloway.

Credit Risk Mitigation

The Portfolio Manager has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation.

The policies and procedures of the Portfolio Manager in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and refinancing credits (as to which, in relation to the Collateral Debt Obligations, see the information set out in this Prospectus headed "*The Portfolio*" which describes the criteria to which the selection of Collateral Debt Obligations to be included in the Portfolio is subject);
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Portfolio Manager – see the section of this Prospectus headed "*The Portfolio*" and this section headed "*Description of the Portfolio Management Agreement*");
- (c) diversification of credit portfolios given the target market and overall credit strategy (as to which, in relation to the Portfolio, see the section of this Prospectus headed "*The Portfolio – Portfolio Profile Tests*");
- (d) policies and procedures in relation to risk mitigation techniques (as to which, see further the section of this Prospectus headed "*The Portfolio*" and this section headed "*Description of the Portfolio Management Agreement*", which describes the ways in which the Portfolio Manager is required to monitor the Portfolio);
- (e) to the extent not subject to confidentiality restrictions, policies and procedures relating to the obtaining of access to data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting a securitisation exposure and to any information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures (as to which, see further the sections of this Prospectus headed "*The Portfolio*" and "*Description of the Reports*", which describe the criteria used for selection of the Collateral Debt Obligations and the reports prepared and provided in respect of such Collateral Debt Obligations);
- (f) to the extent not subject to confidentiality restrictions, policies and procedures relating to the obtaining of access to data necessary for the Portfolio Manager to comply with the applicable qualitative requirements (as to which, see further the section of this Prospectus headed "*The Retention Holder and Retention Requirements – EU Risk Retention*", which describes the ways in which the Portfolio Manager is required to satisfy the EU Retention Requirements and "*Description of the Reports*", which provides reporting requirements in respect of satisfaction of the EU Retention Requirements); and
- (g) disclosure of the level of retained net economic interest, as well as any matters that could undermine the maintenance of the minimum required net economic interest in the transaction described in this Prospectus (as to which, see further the section of this Prospectus headed "*The Retention Holder and Retention Requirements – EU Risk Retention*", which describes the

ways in which the Portfolio Manager is required to satisfy the Retention Requirements and "*Risk Factors –Relating to the Notes – Alternative Investment Fund Managers Directive*", which describes the risks in respect of satisfaction of the EU Retention Requirements and compliance with the AIFMD).

THE RETENTION HOLDER AND RETENTION REQUIREMENTS

The information appearing in the section entitled "The Retention Holder and Retention Requirements" below consists of a summary of certain provisions of the Risk Retention Letter and does not purport to be complete and is qualified by reference to the detailed provisions of such letter.

Description of the Retention Holder

The Portfolio Manager shall act as Retention Holder for the purposes of the EU Retention Requirements. On the basis of the paragraphs below, and the undertakings, representations, warranties and acknowledgements to be given by the Portfolio Manager set out below, the Portfolio Manager reasonably believes that it is a "sponsor" for the purposes of the EU Retention Requirements. Other than the representations and covenants summarised below, to be contained in the Risk Retention Letter, the Portfolio Manager makes no representation nor gives any undertaking to such effect and does not undertake to maintain its current regulatory authorisations, seek any new or additional regulatory authorisations or notify any Noteholder of a change in its regulatory authorisation(s).

EU Retention Requirements

On the Original Issue Date, the Retention Holder signed an original risk retention letter addressed to the Issuer, the Trustee and the Collateral Administrator. On the Issue Date, the Retention Holder acting for its own account will agree to be bound by the Risk Retention Letter entered into in connection with the Notes.

Under the Risk Retention Letter, the Retention Holder will:

- (a) undertake to continue to hold (either directly or indirectly) and retain, on an ongoing basis for as long as a Class of Notes remains Outstanding, Subordinated Notes with a Principal Amount Outstanding (as of the Issue Date) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder on the Original Issue Date equal to not less than 5 per cent. of the Aggregate Collateral Balance as of the Issue Date in accordance with paragraph 1(d) of Article 405 of the CRR Retention Requirements, paragraph 1(d) of Article 51 of the AIFMD Retention Requirements and paragraph 2(d) of Article 254 of the Solvency II Retention Requirements (in each case as such provision applies as at the Issue Date) (the "**Retention**");
- (b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the EU Retention Requirements;
- (c) agree to take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the EU Retention Requirements as of (a) the Issue Date and (b) solely as regards the provision of information in the possession of the Retention Holder and to the extent the same is not subject to a duty of confidentiality, any time prior to maturity of the Notes;
- (d) agree to confirm in writing (the "**Retention Compliance Confirmation**"):
 - (i) its continued compliance with the covenants set out at paragraphs (a) and (b) above; and
 - (ii) whether or not it continues to satisfy the requirements of a "sponsor" for the purposes of Article 405 of the CRR (as in effect on the date of such confirmation) in relation to the securitised Portfolio,

to the Trustee, the Issuer, the Collateral Administrator and the Placement Agent (A) on a monthly basis, (B) where the performance of the Notes or the risk characteristics of the Notes or of the Portfolio materially change and (C) following a breach of the obligations included in the Transaction Documents of which the Retention Holder is aware. Such Retention Compliance Confirmation may be made available by the Issuer and the Principal Paying Agent to actual and prospective investors in the Notes upon request;

- (e) represent and warrant that (i) it is a "investment firm" (as such term is defined in Article 4 of the CRR as at the Issue Date) and (ii) it is a "sponsor" for the purposes of Article 405 of the CRR and will continue to retain the Retention pursuant to paragraph (a) above in such capacity provided that if (i) any Retention Cure Action is taken which would render the foregoing representation and warranty inapplicable or (ii) there is any change in its authorisation or licensing status such that it ceases to be a "investment firm" or able to qualify as a "sponsor" following the Issue Date solely as a direct consequence of any United Kingdom exit from the European Union, then this representation and warranty shall no longer apply; and
- (f) agree that it shall immediately notify the Issuer, the Trustee, the Collateral Administrator and the Placement Agent if for any reason: (i) it ceases to hold the Retention in accordance with (a) above; or (ii) it fails to comply with the covenant set out in (b) above, in any way.

The Portfolio Manager may resign or be removed as portfolio manager under the Portfolio Management Agreement in the circumstances described therein. The Retention Holder has agreed not to sell the Retention except to the extent permitted in accordance with the EU Retention Requirements as described in paragraph (b) above. Accordingly, if permitted in accordance with the Retention Requirements, the Retention Holder may (but shall be under no obligation to) transfer the Retention to a replacement portfolio manager appointed under the Portfolio Management Agreement.

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

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

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

U.S. Retention Rules

The Issuer understands that the Portfolio Manager does not intend to retain at least 5 per cent. of the credit risk of the Issuer, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Retention Rules regarding non-U.S. transactions that meet certain requirements.

THE PORTFOLIO

The following description of the Portfolio consists of a summary of certain provisions of the Portfolio Management Agreement and does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.

1. Introduction

Pursuant to the Portfolio Management Agreement, the Portfolio Manager is required to manage the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer in each case to the extent, and in accordance with, the information provided to it by the Portfolio Manager. The duties of the Portfolio Manager with respect to the Portfolio include (amongst others):

- (a) the investment of amounts standing to the credit of the Accounts in Eligible Investments;
- (b) the sale of certain of the Collateral Debt Obligations and the reinvestment of Sale Proceeds and Principal Proceeds received in Substitute Collateral Debt Obligations in accordance with the criteria set out in the Portfolio Management Agreement; and
- (c) its currency hedging strategy and, to the extent applicable, its interest rate hedging strategy, in respect of the Portfolio.

The Portfolio Manager is required to monitor the Collateral Debt Obligations with a view to seeking to determine whether any Collateral Debt Obligation has converted into, or been exchanged for, an Exchanged Security or become a Credit Improved Obligation, Defaulted Obligation or Credit Impaired Obligation, provided that, if it fails to do so, except by reason of acts constituting bad faith, wilful misconduct or negligence in the performance of its obligations, no Noteholder shall have any recourse against the Portfolio Manager for any loss suffered as a result of such failure, see *"Description of the Portfolio Management Agreement"*.

Under the Portfolio Management Agreement, the Noteholders have certain rights in respect of the removal of the Portfolio Manager and the appointment of a replacement Portfolio Manager. See *"Description of the Portfolio Management Agreement"*.

2. Acquisition of Collateral Debt Obligations

Prior to the Issue Date, the Portfolio Manager has caused to be acquired by the Issuer a portfolio of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Corporate Rescue Loans, PIK Securities, Bridge Loans, Unsecured Senior Obligations, Mezzanine Obligations and High Yield Bonds, the details of which are set out in Issue Date Payments Report attached at Annex C as of the date of preparation of such information. The Portfolio Manager has caused and will to continue to cause the Issuer to acquire, sell and reinvest the Sale Proceeds, prepayments and repayments in respect of a portfolio of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Corporate Rescue Loans, PIK Securities, Bridge Loans, Unsecured Senior Obligations, Mezzanine Obligations and High Yield Bonds during the Reinvestment Period and thereafter.

3. Eligibility Criteria

Each Collateral Debt Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the following criteria (the **"Eligibility Criteria"**) as determined by the Portfolio Manager in its reasonable discretion (capitalised terms in each case to be read and construed as if such obligation were a Collateral Debt Obligation):

- (a) it is a Senior Secured Loan, Senior Secured Bond, Second Lien Loan, Unsecured Senior Obligation, Mezzanine Obligation, High Yield Bond, Corporate Rescue Loan, PIK Security or Bridge Loan;

- (b) it is (I) denominated in Euro; or (II) a Non-Euro Obligation provided that no later than the settlement date of the acquisition thereof, the Issuer (or the Portfolio Manager on its behalf) enters into an Asset Swap Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such obligation and otherwise complies with the requirements set out in respect of such obligation in the Portfolio Management Agreement; and (III) is not convertible into or payable in any other currency;
- (c) it is not an obligation which is known by the Portfolio Manager to be a Defaulted Obligation or a Collateral Debt Obligation which in the Portfolio Manager's judgement has a significant risk of declining in credit quality and becoming a Defaulted Obligation or a Current Pay Obligation;
- (d) the Stated Maturity thereof falls prior to the Maturity Date of the Notes;
- (e) it is not the subject of an offer of exchange, conversion or tender by its Obligor, for cash, securities or any other type of consideration (other than for an obligation which satisfies the Eligibility Criteria, the acquisition of which would also satisfy the Reinvestment Criteria);
- (f) it is eligible to be sold, novated, assigned or participated to the Issuer and is eligible to be sold, novated and assigned by the Issuer, in each case without a breach of any applicable law or regulation, selling restriction or contractual provision;
- (g) it has been assigned or otherwise has an S&P Rating of at least "CCC-" (other than in respect of a Corporate Rescue Loan falling within paragraph (d)(iii) of the definition of S&P Rating);
- (h) it has been assigned or otherwise has a Fitch Rating of at least "CCC";
- (i) it is not a lease;
- (j) it is not an obligation whose repayment is subject to substantial non-credit related risk or the non-occurrence of certain catastrophes as determined by the Portfolio Manager;
- (k) it provides for a fixed amount of principal payable on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;
- (l) it is an obligation in respect of which the Obligor (or the guarantor of such obligation) is incorporated in, and has its principal place of business or the majority of its assets in, a Qualifying Country, as determined by the Portfolio Manager;
- (m) it is not an obligation which by its terms does not provide for the current payment of interest at any time (other than, for the avoidance of doubt, with respect to any PIK Securities or Mezzanine Obligations);
- (n) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination;
- (o) it is not convertible into equity and is not Margin Stock as defined under Regulation U issued by The Board of Governors of the Federal Reserve System;
- (p) it is an obligation in respect of which, following the acquisition thereof by the Issuer by the selected method of transfer, payments will not be subject to withholding tax imposed by any jurisdiction unless either (i) such withholding tax can be sheltered in full by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor is required to make "gross up" payments that compensate the Issuer directly or indirectly in full for any such withholding on an after tax basis;
- (q) upon acquisition the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge or first priority security interest in favour of the Trustee for the benefit of the Secured Parties pursuant to the Trust Deed (or any deed or document supplemental thereto);

- (r) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those (i) which may arise at its option, or (ii) which are fully collateralised, or (iii) which are subject to the Priorities of Payment and to limited recourse provisions similar to those set out in the Trust Deed, or (iv) which are owed to the agent bank in relation to the performance of its duties under a syndicated loan or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a loan where such undertaking is contingent upon the redemption in full of such loan on or before the time by which the Issuer is obliged to enter into the restructured loan and where the restructured loan satisfies the Eligibility Criteria;
- (s) it is not a Synthetic Security;
- (t) it is not a Project Finance Loan;
- (u) it has not been called for, and no notice of early redemption has been issued in respect of such obligation;
- (v) is not a Structured Finance Security;
- (w) it is not an obligation that by its terms permits the Obligor thereunder to defer interest for credit related reasons that would otherwise be paid on a current basis (other than in respect of any PIK Security or Mezzanine Obligation);
- (x) it is not an obligation in respect of which interest payments are scheduled to decrease (although interest payments may decrease due to unscheduled events such as a decrease of the index relating to a Floating Rate Collateral Debt Obligation, the change from a default rate of interest to a non-default rate or an improvement in the Obligor's financial condition);
- (y) it is not an obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Securities or Mezzanine Obligations) or a Zero Coupon Obligation;
- (z) if it pays U.S. source interest or is "registration required", it is in registered form for U.S. federal income tax purposes, in each case as defined in Section 163(f) of the Code;
- (aa) it must require the consent of at least 66⅔ per cent. of the lenders to the Obligor thereunder for any change in the principal repayment profile or interest applicable on such obligation (for the avoidance of doubt, excluding any changes originally envisaged in the loan documentation) provided that in the case of a Collateral Debt Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution;
- (bb) it will not require the Issuer or the pool of Collateral to be registered as an investment company under the Investment Company Act;
- (cc) if it is a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, it can only be drawn in its base currency;
- (dd) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax or other similar tax, duty or levy payable by the Issuer (or by any other person who has a right, statutory or otherwise, to be reimbursed for the same by the Issuer), unless such stamp duty or stamp duty reserve tax or other similar tax, duty or levy has been included in the purchase price of such Collateral Debt Obligation;
- (ee) it has a minimum purchase price of 60 per cent. of the Principal Balance of such Collateral Debt Obligation; and
- (ff) it is not an obligation issued by an Obligor whose total potential indebtedness is less than EUR 150,000,000 in aggregate principal amount (or its equivalent in any currency) under all underlying instruments governing such Obligor's indebtedness.

Other than Collateral Debt Obligations which are the subject of a restructuring (whether effected by way of an amendment to the terms of such Collateral Debt Obligation or by way of substitution of new obligations and/or change of Obligor) which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date in order to constitute a Collateral Debt Obligation, the subsequent failure of any Collateral Debt Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation so long as such obligation satisfied the Eligibility Criteria when the Issuer or the Portfolio Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation (save in respect of any Original Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Original Issue Date).

For the avoidance of doubt, a repayment of a Collateral Debt Obligation in circumstances whereby the redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") at the election of the Portfolio Manager shall be treated as the acquisition by the Issuer of a new Collateral Debt Obligation and not as the acquisition of a Restructured Obligation (and will therefore be required to satisfy the Reinvestment Criteria (as applicable)), provided that if it is a requirement of the restructuring of any such Collateral Debt Obligation that such redemption proceeds are rolled as consideration for a new obligation (including by way of a "cashless roll") it shall be treated as an acquisition of a Restructured Obligation by the Issuer.

"Project Finance Loan" means a loan obligation under which the Obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

- (a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and
- (b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"Synthetic Security" means a security or swap transaction (other than a letter of credit or a Participation) that has payments of interest or principal dependent on a reference obligation or the credit performance of a reference obligation.

"Structured Finance Security" means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"Zero Coupon Obligation" means any Collateral Debt Obligation the terms of which provide for repayment of a stated principal amount at a stated maturity date but which do not provide for periodic payments of interest in cash at any time while such security is outstanding.

Restructured Obligations

In the event, as determined by the Portfolio Manager, a Collateral Debt Obligation becomes the subject of a restructuring whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an amendment of its maturity date) or by way of substitution of new obligations and/or a change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies the **"Restructured Obligation Criteria"** which shall consist of each of the Eligibility Criteria save for paragraphs (c), (e), (g) and (h) of the Eligibility Criteria and which shall require that such obligation has been assigned or otherwise has an S&P Rating and a Fitch Rating.

4. Management of the Portfolio

Overview

Subject to compliance with the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and subject to certain requirements and subject to the overall policies and direction of the Issuer, to sell Collateral Debt Obligations, Collateral Enhancement Obligations and Exchanged Securities, to reinvest the Sale Proceeds (other than Collateral Enhancement Obligation Proceeds and for the avoidance of doubt accrued interest on such Collateral Debt Obligations included in Interest Proceeds by the Portfolio Manager) thereof in Substitute Collateral Debt Obligations, or apply them as otherwise set out below. The Collateral Administrator (on behalf of the Issuer) shall determine, and shall provide confirmation of whether certain of the criteria which are required to be satisfied, maintained or improved (as applicable) in connection with any such sale or reinvestment are satisfied or, if any such criteria are not satisfied, maintained or improved (as applicable), shall notify the Issuer and the Portfolio Manager of the reasons and the extent to which such criteria are not so satisfied, maintained or improved (as applicable) following request by the Portfolio Manager, which request shall specify all necessary details of the Collateral Debt Obligation, Collateral Enhancement Obligation or Exchanged Security to be sold and the proposed Substitute Collateral Debt Obligation to be purchased.

Subject to compliance with the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) will purchase the Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) taking into account the Eligibility Criteria and the Reinvestment Criteria and will monitor the performance and credit quality of the Collateral Debt Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Portfolio Manager shall not be responsible for determining whether or not the terms of any individual Collateral Debt Obligation have been observed.

Discretionary Sales

The Issuer or the Portfolio Manager (acting on behalf of the Issuer) may dispose of any Collateral Debt Obligation (other than an obligation which did not satisfy the Eligibility Criteria on the date on which the Portfolio Manager on behalf of the Issuer entered into a binding commitment to acquire it, a Credit Improved Obligation, a Credit Impaired Obligation, a Defaulted Obligation or an Exchanged Security, each of which may only be sold in the circumstances provided below) at any time provided that:

- (a) no Note Event of Default has occurred which is continuing;
- (b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Original Issue Date, during the period commencing on the Original Issue Date) is not greater than 30 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Original Issue Date, as the case may be);
- (c) during the Reinvestment Period, the Portfolio Manager reasonably believes prior to such sale that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale in one or more additional Collateral Debt Obligations within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria; and
- (d) if such sale is after the end of the Reinvestment Period, either: (1) the Sale Proceeds from such sale are at least equal to the Adjusted Balance of such Collateral Debt Obligation; or (2) after giving effect to such sale, the Aggregate Collateral Balance (excluding the Collateral Debt Obligation being sold but including, without duplication, the Sale Proceeds of such sale and for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) plus, without duplication, the amounts on deposit in the Principal Account (including Eligible Investments therein) will be greater than (or equal to) the Reinvestment Target Par Balance.

"Adjusted Balance" means with respect to a Collateral Debt Obligation, the Principal Balance of such Collateral Debt Obligation, provided that the Adjusted Balance of:

- (a) a Defaulted Obligation or a Deferring Security shall be the lesser of:
 - (i) its S&P Collateral Value; and
 - (ii) its Fitch Collateral Value;
- (b) a Discount Obligation shall be the product of such obligation's:
 - (i) purchase price (expressed as a percentage of par); and
 - (ii) Principal Balance; and
- (c) a Collateral Debt Obligation which has been included in the calculation of the CCC Excess, shall be its Market Value multiplied by the Principal Balance of such Collateral Debt Obligation,

provided that if a Collateral Debt Obligation satisfies two or more of paragraphs (a) through (c) above, the Adjusted Balance of such Collateral Debt Obligation shall be calculated using the category which results in the lowest value.

Sale of Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations

Credit Impaired Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Portfolio Manager (acting on behalf of the Issuer) subject to:

- (a) the Portfolio Manager's knowledge, no Note Event of Default having occurred which is continuing; and
- (b) the Portfolio Manager confirming to the Trustee and the Collateral Administrator (upon which confirmation the Trustee and the Collateral Administrator may rely absolutely) that it believes, in accordance with its Standard of Care, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be.

Terms and Conditions Applicable to the Sale of Exchanged Securities and Collateral Enhancement Obligations

Any Exchanged Security may be sold at any time by the Portfolio Manager in its discretion (acting on behalf of the Issuer) subject, to the Portfolio Manager's knowledge, no Note Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Securities as provided above, the Portfolio Manager shall be required by the Issuer to use its commercially reasonable efforts to sell (on behalf of the Issuer) any Exchanged Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable).

Collateral Enhancement Obligations may be sold at any time.

Sale of Collateral Prior to Maturity Date

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date (other than in connection with a Refinancing); or (ii) receipt of notification from the Trustee of the enforcement of the security over the Collateral; the Portfolio Manager (acting on behalf of the Issuer) will (at the direction of the Trustee following the enforcement of such security), as far as practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of purchase and sell all or part of the Portfolio, as applicable, in accordance with the Conditions, including, without limitation, in connection with an Optional Redemption in accordance with Condition 7(b)(vi) (*Optional Redemption in Whole of all Classes of Notes effected through Liquidation only*) and the Portfolio Management Agreement.

Sale of Assets which do not constitute Collateral Debt Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Portfolio Management Agreement, the Portfolio Manager shall use commercially reasonable efforts to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment Criteria

"Reinvestment Criteria" means, during the Reinvestment Period, the criteria set out under *"During the Reinvestment Period"* below and following the expiry of the Reinvestment Period, the criteria set out under *"Following the Expiry of the Reinvestment Period"* below. The Reinvestment Criteria shall not apply in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof (whether or not such obligation would constitute a Restructured Obligation).

During the Reinvestment Period

Subject to compliance with the Portfolio Management Agreement, during the Reinvestment Period, the Portfolio Manager (acting on behalf of the Issuer) shall use its commercially reasonable efforts to reinvest Principal Proceeds in the purchase of Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, provided that immediately after each such purchase, the criteria set out below must be satisfied:

- (a) in the Portfolio Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such purchase;
- (b) the Collateral Quality Tests are satisfied or, if any test was not satisfied, is no worse after giving effect to such reinvestment than it was immediately prior to the sale or prepayment of such Collateral Debt Obligation or prior to receiving Principal Proceeds, save that this paragraph (b) shall not apply in respect of the S&P CDO Monitor Test in the case of the reinvestment of Sale Proceeds from Credit Impaired Obligations or Defaulted Obligations;
- (c) the Portfolio Profile Tests are satisfied or, if any such limitation is not satisfied, in the case of each limitation (i) in respect of which an upper limit is applicable, the relevant concentration is no greater, and (ii) in respect of which a lower limit is applicable, the relevant concentration is no lesser, after giving effect to such reinvestment than it was immediately prior to the sale or prepayment of such Collateral Debt Obligation or prior to receiving Principal Proceeds;
- (d) the Coverage Tests are satisfied or (other than with respect to reinvestment of any proceeds received upon the sale of or as a recovery on any Defaulted Obligation), the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment compared with immediately prior to the sale, repayment or prepayment of the relevant Collateral Debt Obligation;
- (e) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Impaired Obligation or a Defaulted Obligation either:
 - (i) the Aggregate Principal Balance of all Substitute Collateral Debt Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds; or
 - (ii) the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance;
- (f) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Impaired Obligations or Defaulted Obligations), Scheduled Principal Proceeds and/or Unscheduled Principal Proceeds either:

- (i) the Aggregate Principal Balance of all Collateral Debt Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds and/or the receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable; or
- (ii) after giving effect to such sale and/or the receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable, the sum of: (A) the Aggregate Principal Balance (for such purpose the Principal Balance of each Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value) of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold and/or in respect of which such Principal Proceeds have been received (to the extent of such receipt) but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale and/or receipt of the relevant Scheduled Principal Proceeds or Unscheduled Principal Proceeds, as applicable, that in each case are not applied to the purchase of such Substitute Collateral Debt Obligations); and (B) amounts standing to the credit of the Principal Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is equal to or greater than the Reinvestment Target Par Balance; and
- (g) such reinvestment would not cause a Retention Deficiency.

Following the Expiry of the Reinvestment Period

Subject to compliance with the Portfolio Management Agreement, following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and the Sale Proceeds from the sale of Credit Improved Obligations and Credit Impaired Obligations only, may be reinvested by the Portfolio Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, in each case provided that immediately after each such purchase, the criteria set out below are satisfied:

- (a) the Aggregate Principal Balance of Substitute Collateral Debt Obligations equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds or (ii) the amount of Sale Proceeds of any such Credit Impaired Obligations, as the case may be;
- (b) the Weighted Average Life Test is satisfied immediately after giving effect to such reinvestment;
- (c) each Coverage Test is satisfied immediately before and after giving effect to such reinvestment;
- (d) either: (i) the Portfolio Profile Tests and the Collateral Quality Tests (except the S&P CDO Monitor Test) are satisfied immediately after giving effect to such reinvestment; or (ii) if any such test was not so satisfied, such test will be maintained or improved after giving effect to such reinvestment compared with immediately prior to the sale or prepayment of the relevant Collateral Debt Obligation;
- (e) to the Portfolio Manager's knowledge, no Note Event of Default has occurred that is continuing at the time of such reinvestment;
- (f) either (i) each Class Scenario Default Rate following reinvestment in such Substitute Collateral Debt Obligation(s) is no higher than immediately prior to the sale or prepayment that produced such Unscheduled Principal Proceeds or Sale Proceeds, or (ii) such Substitute Collateral Debt Obligation(s) have the same or a higher S&P Rating and Fitch Rating as the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds, and the Stated Maturity of such Substitute Collateral Debt Obligation(s) is the same as or earlier than the Stated Maturity of the Collateral Debt Obligation sold or prepaid;

- (g) the Aggregate Principal Balance of all Collateral Debt Obligations that are rated "CCC+" or below by S&P or "CCC" or below by Fitch at the time of purchase or acquisition by the Issuer may not exceed 7.5 per cent. of the Aggregate Collateral Balance;
- (h) the Fitch Maximum Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment; and
- (i) such reinvestment would not cause a Retention Deficiency.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Portfolio Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Impaired Obligations or Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Debt Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Proceeds Priority of Payments for so long as they remain so designated for reinvestment but no longer than thirty calendar days following their receipt by the Issuer; provided that Principal Proceeds that have been designated for the settlement of a trade for which the Portfolio Manager has entered into a binding commitment to acquire a Collateral Debt Obligation by such date (provided for above) shall not be disbursed in accordance with the Priorities of Payment and provided further that in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Principal Proceeds Priority of Payments.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Portfolio Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Portfolio Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Portfolio Management Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payment.

The Portfolio Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Debt Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) any such proceeds representing interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation (other than Defaulted Obligation Excess Amounts); (iii) any such proceeds representing 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 (iv) any such proceeds representing deferred interest received in respect of any PIK Security.

Amendments to the maturity of Collateral Debt Obligations

The Issuer will not be permitted to execute, enter into, agree to or vote in favour of any amendment or modification extending or having the effect of extending the maturity of a Collateral Debt Obligation (a "**Maturity Amendment**") unless (x) such amendment or modification would not cause such Collateral Debt Obligation to mature after the Maturity Date and (y) either (i) the Weighted Average Life Test will be satisfied after giving effect to such amendment or (ii) if the Weighted Average Life Test was not so satisfied prior to the amendment, the level of compliance with the test will be maintained or improved after giving effect to such amendment.

If the Issuer or the Portfolio Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but the maturity date applicable to the relevant Collateral Debt Obligation has been extended, by way of scheme of arrangement or otherwise, the Issuer or the Portfolio Manager acting on its behalf may but shall not be required to sell such Collateral Debt Obligation provided that in any event the Portfolio Manager shall dispose of such Collateral Debt Obligation prior to the Maturity Date. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria. If a Maturity Amendment is made and the maturity date applicable to the relevant Collateral Debt Obligation falls after the Maturity Date, such Collateral Debt Obligation shall not constitute a Restructured Obligation.

Unsaleable Assets

Notwithstanding the other requirements set forth herein and in the Trust Deed, on any Business Day after the Reinvestment Period, the Portfolio Manager may conduct an auction on behalf of the Issuer of Unsaleable Assets (as defined below) in accordance with the procedures described in this paragraph provided that no such auction shall take place unless a redemption of the Notes in full in accordance with the Conditions is contemplated or scheduled to occur within three months of such auction on behalf of the Issuer. Promptly after receipt of written notice from the Portfolio Manager of such auction, the Principal Paying Agent will provide notice in such form as is prepared by the Portfolio Manager to the Noteholders (in accordance with Condition 16 (*Notices*)) of such auction, setting forth in reasonable detail a description of each Unsaleable Asset and the following auction procedures:

- (a) any Noteholder may submit a written bid to the Portfolio Manager within 10 Business Days after the date of such notice to purchase one or more Unsaleable Assets no later than the date specified in the auction notice (which will be at least 15 Business Days after the date of such notice);
- (b) each bid must include an offer to purchase for a specified amount of cash on a proposed settlement date no later than 20 Business Days after the date of the auction notice and delivery instructions to the Portfolio Manager including the account to which the Unsaleable Asset is to be delivered if the bid is accepted;
- (c) if no Noteholder submits such a bid within the time period specified under clause (a) above, unless the Portfolio Manager determines that delivery in kind is not legally or commercially practicable and provides written notice thereof to the Principal Paying Agent, the Principal Paying Agent on behalf of the Issuer will provide notice thereof to each Noteholder (in accordance with Condition 16 (*Notices*)) and the Portfolio Manager shall offer to deliver (at such Noteholder's expense) a pro rata portion (as determined by the Portfolio Manager) of each unsold Unsaleable Asset to the Noteholders or beneficial owners of the most senior Class that provide delivery instructions to the Principal Paying Agent on behalf of the Issuer on or before the date specified in such notice, subject to minimum denominations; provided that, to the extent that minimum denominations do not permit a pro rata distribution, the Collateral Administrator upon the instruction of the Portfolio Manager will distribute the Unsaleable Assets on a pro rata basis to the extent possible and the Portfolio Manager will select by lottery the Noteholder or beneficial owner to whom the remaining amount will be delivered and deliver written notice thereof to the Collateral Administrator; provided, further, that the Collateral Administrator will use commercially reasonable efforts to effect delivery of such interests to the account specified in the delivery instructions; and
- (d) if no such Noteholder or beneficial owner provides delivery instructions to the Portfolio Manager within 10 Business Days following the delivery of the notice to Noteholders by the Principal Paying Agent referred to in the preamble above, the Unsaleable Asset may be delivered by the Collateral Administrator to the Portfolio Manager. If the Portfolio Manager declines such delivery, the Collateral Administrator will take such action as directed by the Portfolio Manager (on behalf of the Issuer) in writing to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

For the avoidance of doubt, any sale or delivery or other transfer or disposal of an Unsaleable Asset in the circumstances contemplated above shall not affect the Principal Amount Outstanding of any Notes.

"Unsaleable Assets" means (a)(i) a Defaulted Obligation or (ii) an obligation received in connection with an Offer, in a restructuring or plan of reorganisation with respect to the Obligor, in each case, in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) any Collateral Debt Obligation or Eligible Investment identified in an officer's certificate of the Portfolio Manager as having a Market Value multiplied by its Principal Balance of less than Euro 1,000, and in the case of each of (a) and (b) with respect to which the Portfolio Manager confirms to the Trustee in writing that (x) it has made commercially reasonable endeavours to dispose of such obligation for at least 90 days and (y) in its commercially reasonable judgment such obligation is not expected to be saleable in the foreseeable future.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Debt Obligations on any day in the event that such Collateral Debt Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria, at the election of the Portfolio Manager in its sole discretion, any proposed investment (whether a single Collateral Debt Obligation or a group of Collateral Debt Obligations) identified by the Portfolio Manager as such at the time (the **"Initial Trading Plan Calculation Date"**) when compliance with the Reinvestment Criteria is required to be calculated (a **"Trading Plan"**) may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 20 Business Days following the date of determination of such compliance (such period, the **"Trading Plan Period"**); provided that: (i) no Trading Plan may result in the purchase of Collateral Debt Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Scheduled Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation is obtained with respect to the effectiveness of additional Trading Plans (it being understood that Rating Agency Confirmation shall only be required once following any failure of a Trading Plan); provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations purchased at separate times for purposes of determining whether any particular Collateral Debt Obligation is a Discount Obligation. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Collateral Debt Obligations that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the Portfolio Manager (acting on behalf of the Issuer), subject to the provisions of the Portfolio Management Agreement, may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts other than the Payment Account, the Revolving Reserve Account and each Counterparty Downgrade Collateral Account. For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Portfolio Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Issuer or the Portfolio Manager (acting on behalf of the Issuer) may, from time to time, subject to the final paragraph below and compliance with the Portfolio Management Agreement, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Debt 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 Collateral Enhancement Account at the relevant time. Pursuant to Condition 3(j)(vii) (*Collateral Enhancement Account*), such Balance shall be comprised of all Collateral Enhancement Obligation Proceeds received by the Issuer, together with all other sums deposited therein from time to time which will comprise amounts which would otherwise be paid as

interest payable in respect of the Subordinated Notes which the Portfolio Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Interest Proceeds Priority of Payments rather than being paid to the Subordinated Noteholders. In addition, if the amount standing to the credit of the Collateral Enhancement Account at the relevant time is not sufficient to fund a purchase or exercise (as applicable) of one or more Collateral Enhancement Obligations, the Portfolio Manager (acting on behalf of the Issuer) may, at its discretion, arrange for the payment of any such shortfall by making a Portfolio Manager Advance. No more than three Portfolio Manager Advances may be made on or after the Issue Date. No such Portfolio Manager Advance may be made to the Issuer unless:

- (a) the Portfolio Manager has provided a solvency certificate to the Trustee and the Rating Agencies dated not earlier than 10 Business Days prior to the date of such Portfolio Manager Advance; or
- (b) a legal opinion has been received from legal counsel in the jurisdiction of incorporation of the Portfolio Manager in respect of the potential for such Portfolio Manager Advance to be set aside pursuant to any applicable insolvency related provisions.

All such Portfolio Manager Advances, together with any interest thereon in accordance with the Portfolio Management Agreement, shall be repaid out of Collateral Enhancement Obligation Proceeds and thereafter out of Interest Proceeds on each Payment Date pursuant to the Interest Proceeds Priority of Payments.

The Portfolio Manager, acting on behalf of the Issuer, may at any time sell Collateral Enhancement Obligations.

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 or Collateral Quality Tests.

Exercise of Warrants and Options

Subject to compliance with the Portfolio Management Agreement, the Portfolio Manager (acting on behalf of the Issuer) may, at any time, exercise a warrant or option attached to a Collateral Debt 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 Portfolio Management Agreement requires that the Portfolio Manager, on behalf of the Issuer, will sell any Collateral Debt Obligation, Exchanged 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 such margin stock.

Non-Euro Obligations

The Portfolio Manager shall be authorised to purchase, on behalf of the Issuer, Non-Euro Obligations from time to time provided that any such Non-Euro Obligation shall only constitute a Collateral Debt Obligation that satisfies paragraph (b) of the Eligibility Criteria if not later than the settlement date of acquisition thereof, the Portfolio Manager procures entry by the Issuer into an Asset Swap Transaction pursuant to which the currency risk arising from receipt of cash flows from such Non-Euro Obligation, including interest and principal payments, is hedged through the swapping of such cash flows for Euro payments to be made by an Asset Swap Counterparty. The Portfolio Manager (on behalf of the Issuer) shall be authorised to enter into spot exchange transactions, as necessary, to fund the Issuer's payment obligations under any Asset Swap Transaction. Rating Agency Confirmation shall be required in relation to entry into each Asset Swap Transaction unless such Asset Swap Transaction is a Form-Approved Asset Swap. See *"Hedging Arrangements"*.

In the event that a Non-Euro Obligation is subject to any readjustment, restructuring, refinancing or rescheduling (howsoever described) (a "**Debt Restructuring**"), then the Portfolio Manager shall, in any negotiations in respect thereof, take into account the effect of such Debt Restructuring on the terms of any Asset Swap Transaction in respect of the Non-Euro Obligation.

Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations

The Portfolio Manager (acting on behalf of the Issuer) may from time to time acquire Collateral Debt Obligations which are Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations.

Each Revolving Collateral Obligation and Delayed Drawdown Collateral Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the Obligor thereof in the event of any default by the Obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations may or may not provide that it may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations, the Issuer shall deposit into the Revolving Reserve Account, and shall maintain from time to time in the Revolving Reserve Account, amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations. To the extent required, the Portfolio Manager (acting on behalf of the Issuer) may direct that amounts standing to the credit of the Revolving Reserve 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 Collateral Obligation or a Delayed Drawdown Collateral Obligation or to collateralise the Issuer's obligation to fund drawings under any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation and upon receipt of an Issuer Order (as defined in the Portfolio Management Agreement) the Trustee shall release such amounts from the security granted thereover pursuant to the Trust Deed.

Prior to the entry into any Non-Euro Obligation which is a Revolving Collateral Obligation, the Issuer or the Portfolio Manager (acting on behalf of the Issuer) must obtain Rating Agency Confirmation of the Asset Swap Transaction to be used in relation to such Revolving Collateral Obligation.

Participations

The Portfolio Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

- (a) the percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the individual percentage set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and
- (b) the percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof) each having the same (or lower) credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub-participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Debt Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

- (a) the LSTA Model Participation Agreement for par/near par trades (as published by the Loan Syndications and Trading Association Inc. from time to time);

- (b) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or
- (c) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as the Trust Deed.

Assignments

The Portfolio Manager acting on behalf of the Issuer, may from time to time acquire Collateral Debt Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired the Portfolio Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral Debt Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant loan documentation).

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding Defaulted Obligations) entered into by the Issuer with the same Selling Institution (such amount in respect of such entity, the "**Third Party Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Fitch or S&P ratings applicable to such Selling Institution and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such Selling Institutions which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

Bivariate Risk Table		
S&P Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A and A-1	5%	5%
A- or below	0%	0%

Fitch Long-Term/Short-Term Senior Unsecured Debt Rating of Selling Institution		
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

* As a percentage of the Aggregate Collateral Balance (excluding any Defaulted Obligations) the aggregate third party credit exposure limit shall be determined by reference to the aggregate of the third party credit exposure of all such Selling Institutions which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

5. Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used primarily as the criteria for purchasing Collateral Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests or the Collateral Quality Tests at any time shall not prevent any obligation which would otherwise be a Collateral Debt Obligation from being a Collateral Debt Obligation.

Portfolio Profile Tests

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

- (a) not less than 90.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans or Senior Secured Bonds (which term, for the purposes of this paragraph (a), shall comprise the aggregate of the Aggregate Principal Balance of the Senior Secured Loans and Senior Secured Bonds, and the Balances standing to the credit of the Principal Account as at the relevant Measurement Date);
- (b) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and/or High Yield Bonds;
- (c) with respect to Senior Secured Loans and Senior Secured Bonds, not more than 2.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor;
- (d) with respect to Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor;
- (e) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Participations;
- (f) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations;
- (g) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Annual Obligations unless Rating Agency Confirmation is obtained;
- (h) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Revolving Collateral Obligations or Delayed Drawdown Collateral Obligations;
- (i) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are S&P CCC Obligations;
- (j) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fitch CCC Obligations;
- (k) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Fixed Rate Collateral Debt Obligations;
- (l) not more than 30.0 per cent. of the Aggregate Collateral Balance shall consist of Non-Euro Obligations;
- (m) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;
- (n) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans and not more than 2 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans issued by a single Obligor;
- (o) not more than 30.0 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans provided that if more than 15.0 per cent. of Cov-Lite Loans are rated less than "BB-" by

Fitch and "BB-" by S&P, no further purchase of Cov-Lite Loans is permitted until no more than 15.0 per cent. of Cov-Lite Loans are rated less than "BB-" by Fitch and "BB-" by S&P;

- (p) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations which are PIK Securities;
- (q) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of obligations comprising any one S&P industry classification provided that any two S&P industry classifications may each comprise up to 12.0 per cent. of the Aggregate Collateral Balance and one S&P industry classification may comprise up to 15.0 per cent. of the Aggregate Collateral Balance;
- (r) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of obligations whose S&P Rating is derived from a Moody's Rating;
- (s) not more than 10.0 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdiction with a Fitch country ceiling below "AAA" unless Rating Agency Confirmation from Fitch is obtained;
- (t) the limits specified in the Bivariate Risk Table determined by reference to the Fitch ratings and S&P ratings of Selling Institutions shall be satisfied;
- (u) the Aggregate Principal Balance of obligations of the 10 largest Obligors whose obligations comprise the greatest share of the Aggregate Principal Balance may represent up to 20.0 per cent. of the Aggregate Collateral Balance;
- (v) not more than 25.0 per cent. of the Aggregate Collateral Balance shall consist of Collateral Obligations acquired from (i) a majority-owned affiliate of the Collateral Manager or the Issuer that is chartered, incorporated, or organised under the laws of the United States or any state thereof, or (ii) an unincorporated branch or office of the Collateral Manager or the Issuer that is located in the United States or any state thereof;
- (w) not more than 17.5 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch industry category and not more than 40.0 per cent. of the Aggregate Collateral Balance shall be obligations comprising the three largest Fitch industry categories; and
- (x) not more than 5.0 per cent. of the Aggregate Collateral Balance shall consist of obligations issued by Obligors in respect of which the total potential indebtedness of the relevant Obligor thereof under all underlying instruments governing such Obligor's indebtedness has an aggregate principal amount (whether drawn or undrawn) of equal to or greater than EUR 150,000,000 but less than EUR 250,000,000 (or its equivalent in any currency).

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

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

"Moody's Rating" means the monitored publicly available rating or the monitored estimated rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

Collateral Quality Tests

The Collateral Quality Tests consist of each of the following:

- (a) so long as any Notes rated by S&P are Outstanding:
 - (i) (until the expiry of the Reinvestment Period only) the S&P CDO Monitor Test; and
 - (ii) the S&P Minimum Weighted Average Recovery Rate Test;
- (b) so long as any Notes rated by Fitch are Outstanding:
 - (i) the Fitch Maximum Weighted Average Rating Factor Test; and
 - (ii) the Fitch Minimum Weighted Average Recovery Rate Test; and
- (c) so long as any Rated Notes are Outstanding:
 - (i) the Minimum Weighted Average Spread Test; and
 - (ii) the Weighted Average Life Test,

each as defined in the Portfolio Management Agreement.

The S&P Matrix

S&P will provide the Portfolio Manager with the Break-Even Default Rates for each S&P CDO Monitor based upon portfolios with weighted average spreads and recovery rates to be associated with such S&P CDO Monitor as selected by the Portfolio Manager in accordance with the definition of **"S&P CDO Monitor Test"**. The Break-Even Default Rate will be determined as follows: (A) the applicable weighted average spread will be the spread between 2.60 per cent. and 5.40 per cent. (in increments of 0.01 per cent.) without exceeding the Weighted Average Spread as of such Measurement Date (the **"S&P Matrix Spread"**), (B) the applicable weighted average recovery rate commensurate with a AAA rating will be the recovery between 20 per cent. and 50 per cent. (in increments of 0.1 per cent.) (the **"Recovery Rate Case"**) in each case as selected by the Portfolio Manager. The Portfolio Manager will have the right to choose which Recovery Rate Case, and which S&P Matrix Spread will be applicable for purposes of (i) the S&P CDO Monitor and (ii) the S&P Minimum Weighted Average Recovery Rate Test.

After the Issue Date, the Portfolio Manager may request for S&P to provide S&P CDO Monitors for up to 10,000 combinations of S&P Matrix Spreads and Recovery Rate Cases. On two Business Days' written notice to the Collateral Administrator (or such shorter time as may be acceptable to the Collateral Administrator), the Portfolio Manager may choose a different Recovery Rate Case and/or S&P Matrix Spread; provided, that the Collateral Debt Obligations must be in compliance with such different Recovery Rate Case and/or S&P Matrix Spread and, solely for purposes of this proviso, if the Issuer has entered into a binding commitment to invest in a Collateral Debt Obligation, compliance with the newly selected Recovery Rate Case and/or S&P Matrix Spread may be determined after giving effect to such investment. Notwithstanding the foregoing, if the Collateral Debt Obligations are not currently in compliance with the Recovery Rate Case and/or S&P Matrix Spread then applicable and would not be in compliance with any other Recovery Rate Case and/or S&P Matrix Spread, as applicable, the Portfolio Manager may select a different Recovery Rate Case and/or S&P Matrix Spread, as applicable, that is not further out of compliance than the current Recovery Rate Case and/or S&P Matrix Spread (as applicable).

The Fitch Tests Matrix

Subject to the provisions provided below, the Portfolio Manager will have the option to elect which of the cases set forth in the below matrix (the **"Fitch Tests Matrix"**) shall be applicable for the purposes

of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test.

For any given case:

- (a) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column (or linear interpolation between two adjacent columns, as applicable) in the Fitch Tests Matrix selected by the Portfolio Manager;
- (b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row in the Fitch Tests Matrix selected by the Portfolio Manager (or linear interpolation between two adjacent columns, as applicable); and
- (c) 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 in relation to the column and row selected pursuant to (a) and (b) above (or a linear interpolation between the two rows with the closest values and/or a linear interpolation between the two adjacent columns, as applicable).

On two Business Days' notice to the Trustee, the Collateral Administrator and Fitch, the Portfolio Manager may elect to have a different case apply, provided that the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Portfolio Manager desires to change are satisfied. The Fitch Tests Matrix may be amended and/or supplemented and/or replaced by the Portfolio Manager subject to Rating Agency Confirmation from Fitch.

Fitch Maximum Weighted Average Rating Factor												
Min WAS	29	30	31	32	33	33.5	34	35	36	37	38	39
2.60%	76.0%	76.9%	78.0%	79.0%	79.9%	80.2%	80.6%	81.4%	82.0%	82.7%	83.3%	83.9%
2.80%	73.6%	74.8%	75.9%	77.2%	78.1%	78.6%	79.2%	80.0%	80.7%	81.6%	82.2%	82.8%
3.00%	71.8%	72.8%	74.0%	75.2%	76.4%	76.9%	77.4%	78.3%	79.2%	80.3%	80.9%	81.6%
3.20%	68.6%	69.6%	70.8%	71.8%	72.6%	73.1%	73.6%	74.6%	75.6%	76.8%	78.0%	79.4%
3.40%	64.9%	66.0%	67.1%	68.1%	69.2%	69.7%	70.1%	71.5%	73.4%	74.9%	76.6%	78.0%
3.60%	61.5%	62.7%	63.9%	64.7%	65.9%	66.8%	68.0%	69.8%	71.9%	73.5%	75.2%	76.7%
3.80%	57.7%	59.1%	60.3%	62.7%	64.5%	65.4%	66.5%	68.3%	70.3%	71.9%	73.8%	75.3%
3.90%	55.8%	57.2%	59.4%	61.9%	63.8%	64.7%	65.7%	67.6%	69.6%	71.1%	73.0%	74.6%
4.00%	53.9%	55.6%	58.3%	60.9%	63.1%	63.8%	65.0%	66.9%	68.9%	70.4%	72.3%	73.9%
4.10%	52.5%	54.6%	57.2%	60.2%	62.3%	63.1%	64.3%	66.1%	68.1%	69.6%	71.5%	73.1%
4.20%	51.7%	53.7%	56.3%	59.2%	61.4%	62.3%	63.6%	65.3%	67.4%	68.9%	70.8%	72.4%
4.30%	50.5%	52.7%	55.3%	58.2%	60.7%	61.6%	62.8%	64.7%	66.6%	68.2%	70.0%	71.7%
4.40%	49.6%	51.7%	54.4%	57.2%	59.9%	60.7%	62.2%	64.0%	65.9%	67.6%	69.3%	71.1%
4.60%	48.4%	50.5%	53.2%	55.6%	58.1%	59.1%	60.5%	62.6%	64.6%	66.0%	68.0%	69.7%
4.80%	47.2%	49.3%	52.0%	54.4%	56.9%	57.9%	58.8%	61.1%	63.4%	64.8%	66.7%	68.3%
5.00%	46.1%	48.0%	50.7%	53.0%	55.8%	56.7%	57.6%	59.9%	62.0%	63.7%	65.3%	67.0%
5.20%	44.7%	46.8%	49.1%	51.5%	54.0%	55.0%	56.0%	58.1%	60.5%	62.3%	64.2%	65.6%
5.40%	42.6%	44.7%	47.3%	49.5%	52.0%	53.0%	54.0%	56.1%	59.0%	61.1%	63.0%	64.5%

The S&P CDO Monitor Test

The "**S&P CDO Monitor Test**" is a test that will be satisfied on any Measurement Date until the end of the Reinvestment Period following receipt by the Portfolio Manager and the Collateral Administrator of the S&P CDO Input Files if, after giving effect to the purchase or sale of a Collateral Debt Obligation, the Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor Test will be considered to be improved if the Default Differential of the Proposed Portfolio is greater than the corresponding Default Differential of the Current Portfolio.

The "**Break-Even Default Rate**" is, the maximum percentage of defaults, at any time, which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P through application of the S&P CDO Monitor chosen by the Portfolio Manager in accordance with the definition of "**S&P Matrix**" that is applicable to the portfolio of Collateral Debt Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priorities of Payments, will result in sufficient funds remaining for the timely payment of interest and the ultimate payment of principal in full in respect of the Class A-R Notes. S&P will provide the Portfolio Manager with the Break-Even Default Rates for each S&P CDO Monitor based upon the Recovery Rate Case

and the S&P Matrix Spread to be associated with such S&P CDO Monitor as selected by the Portfolio Manager (with a copy to the Collateral Administrator) as set-out in the Portfolio Management Agreement or any other Recovery Rate Case or S&P Matrix Spread selected by the Portfolio Manager from time to time.

The "**Default Differential**" is, at any time, the rate calculated by subtracting the Scenario Default Rate at such time from the Break-Even Default Rate at such time.

The "**Scenario Default Rate**" is, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's AAA rating, determined by application by the Portfolio Manager of the S&P CDO Monitor Test at such time.

The "**Current Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance provided that in respect of Mezzanine Obligations and PIK Securities, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

The "**Proposed Portfolio**" means, as of any date of determination, the portfolio of Collateral Debt Obligations (included at their Principal Balance provided that in respect of Mezzanine Obligations and PIK Securities, the Principal Balance shall exclude all accrued interest including any interest accrued following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Debt Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Debt Obligation, as the case may be.

"**S&P CDO Monitor**" means the dynamic, analytical computer model developed by S&P and used to estimate default risk of Collateral Debt Obligations, including the S&P CDO input files provided to the Portfolio Manager and the Collateral Administrator (such files, the "**S&P CDO Input Files**") on or before the Issue Date, as it may be modified by S&P from time to time. The CDO Monitor calculates the cumulative default rate of a pool of Collateral Debt Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. In calculating the scenario default rate, the S&P CDO Monitor considers each Obligor's issuer credit rating, the number of Obligors in the portfolio, the Obligor and industry concentrations in the portfolio and the remaining weighted average maturity of the Collateral Debt Obligations and Eligible Investments and calculates a cumulative default rate based on the statistical probability of distributions or defaults on the Collateral Debt Obligations and Eligible Investments.

The S&P Minimum Weighted Average Recovery Rate Test

The "**S&P Minimum Weighted Average Recovery Rate Test**" will be satisfied on any Measurement Date if, for each Class of Rated Notes, the S&P Weighted Average Recovery Rate is greater than or equal to the percentage set forth in the S&P Test Matrix based upon the Recovery Rate Case chosen by the Portfolio Manager.

The "**S&P Recovery Rate**" means, in respect of each Collateral Debt Obligation and each Class of Rated Notes an S&P Recovery Rate determined in accordance with the Portfolio Management Agreement or as advised by S&P. Extracts of the S&P Recovery Rate commensurate with a AAA rating applicable under the Portfolio Management Agreement are set out in Annex A of this Prospectus.

"**S&P Weighted Average Recovery Rate**" means, as of any Measurement Date, for a Class of Rated Notes, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance (excluding Purchased Accrued Interest) of each Collateral Debt Obligation by its S&P Recovery Rate, dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" means that test that will be satisfied, on any Measurement Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Tests Matrix.

"Fitch Weighted Average Rating Factor" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result to the nearest two decimal places.

"Fitch Rating Factor" means, in respect of any Collateral Debt Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Debt Obligation. The following table provides certain probabilities of default relating to Fitch Rating Factors. The information is subject to change and any probabilities of default in respect of Fitch Rating Factors may not at any time necessarily reflect the below table.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
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, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrix.

"Fitch Weighted Average Recovery Rate" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations, excluding Defaulted Obligations, and rounding to the nearest 0.1 per cent.

"Fitch Recovery Rate" means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (iii) below or (in any case) such other recovery rate as Fitch may notify the Portfolio Manager from time to time:

- (i) if such Collateral Debt Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager, the recovery rate corresponding to such recovery rating in the table below (unless a specific recovery rate (expressed as a percentage) is provided by Fitch):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95%
RR2	80%
RR3	60%
RR4	40%
RR5	20%
RR6	5%

- (ii) if such Collateral Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager and has 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 Debt Obligation has no public Fitch recovery rating, no recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Portfolio Manager and has no public S&P recovery rating, (x) if such Collateral Debt 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 Debt 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:

	United States	Group A	Group B	Group C	Group D
Strong Recovery	80%	75%	55%	45%	35%
Moderate Recovery	45%	45%	40%	30%	25%
Weak Recovery	20%	20%	5%	5%	5%

The country group of a Collateral Debt Obligation shall be determined, by reference to the country where it is Domiciled, in accordance with the below:

Group A: Australia, Canada, Denmark, Finland, Germany, Iceland, Japan, Korea, The Netherlands, Norway, Puerto Rico, the United Kingdom, the United States of America.

Group B: Austria, Barbados, Belgium, Czech Republic, France, Hong Kong, Ireland, Israel, Italy, Mexico, New Zealand, Portugal, Singapore, Spain, Sweden, Taiwan, Cyprus.

Group C: Bahamas, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, China, Columbia, Croatia, Estonia, Greece, Jamaica, Latvia, Lithuania, Luxembourg, Malaysia, Mauritius, Moldova, Montenegro, Philippines, Poland, Romania, Serbia, Seychelles, Slovakia, Slovenia, South Africa, Switzerland, Thailand, Tunisia, Uruguay.

Group D: Argentina, Azerbaijan, Bahrain, Belarus, Cabo Verde, Chile, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, Grenada, Guatemala, Hungary, India, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Lithuania, Macedonia, Maldives, Malta, Morocco, Namibia, Nigeria, Oman, Panama, Papua New Guinea, Paraguay, Peru, Russia, Saudi Arabia, Sri Lanka, Turkey, Ukraine, United Arab Emirates, Vietnam.

"**Secured Senior Bond**" means a Secured High Yield Bond or a Senior Secured Floating Rate Note.

"**Secured Senior Obligation**" means a Secured Senior Bond or Senior Secured Loan.

"**Subordinated Obligation**" means a debt obligation that by its terms and conditions is subordinated to all non-subordinated debt obligations of the relevant Obligor.

"**Unsecured Senior Loan**" means a Collateral Debt Obligation that:

- (a) is a loan obligation senior to any Subordinated Obligation of the Obligor as determined by the Portfolio Manager in its reasonable business judgement; 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.

The Minimum Weighted Average Spread Test

The "**Minimum Weighted Average Spread Test**" means the test which will be satisfied if, as at any Measurement Date, the Weighted Average Spread plus the Weighted Average Coupon Adjustment Percentage as at such Measurement Date equals or exceeds the Minimum Weighted Average Spread as at such Measurement Date.

"**Minimum Weighted Average Spread**" means the greater of:

- (a) the weighted average spread (expressed as a percentage) applicable to the current applicable Fitch Tests Matrix based upon the options chosen by the Portfolio Manager; and
- (b) the weighted average spread (expressed as a percentage) applicable to the current applicable S&P Matrix based upon the options chosen the Portfolio Manager.

The "**Weighted Average Spread**" as of any Measurement Date will equal a fraction (expressed as a percentage) obtained by:

(X) summing the following:

- (a) the product obtained by multiplying:
 - (i) the Principal Balance (excluding any interest which has been capitalised pursuant to the terms of the Floating Rate Collateral Debt Obligation) of each Floating Rate Collateral Debt Obligation (excluding (i) Defaulted Obligations, (ii) Delayed Drawdown Collateral Obligations, (iii) Revolving Collateral Obligations, and (iv) PIK Securities) held by the Issuer as at such Measurement Date; by
 - (ii) (A) in the case of Euro-denominated Collateral Debt Obligations, its Effective Spread; (B) in the case of Asset Swap Obligations the current per annum rate at which the related Asset Swap Transaction pays interest in excess of EURIBOR or such other floating rate index upon which the related Asset Swap Transaction pays interest,

in each case excluding, in respect of each Mezzanine Obligation held by the Issuer in respect of such Measurement Date, any interest which has been contractually deferred pursuant to its terms;

- (b) the product obtained by multiplying:
 - (i) the aggregate of each Unfunded Amount held by the Issuer as at such Measurement Date in respect of which a commitment fee is receivable by the Issuer; by
 - (ii) the current per annum rate payable by way of such commitment fee in respect of each such Unfunded Amount; and
- (c) the product obtained by multiplying:
 - (i) the aggregate of each Funded Amount held by the Issuer as at such Measurement Date; by
 - (ii) the Effective Spread applicable to each such Funded Amount as at such Measurement Date,

and dividing such sum by (Y) the sum of the Principal Balances (excluding any interest which has been capitalised pursuant to the terms thereof) referred to in paragraphs (a)(i) and of all Funded Amounts and Unfunded Amounts referred to in paragraphs (b)(i) and (c)(i) as above, together with the Principal Balances of all PIK Securities excluded in paragraphs (a)(i) above (the division of (X) and (Y) above the "**Non-Adjusted Weighted Average Spread**"),

in each case as adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise.

The "**Weighted Average Fixed Rate Coupon**" as of any Measurement Date will equal a fraction (expressed as a percentage) obtained by:

(X) summing the products obtained by multiplying:

- (a) the Principal Balance (excluding any interest which has been capitalised pursuant to the terms of such Fixed Rate Collateral Debt Obligation) of each Fixed Rate Collateral Debt Obligation (excluding Defaulted Obligations) held by the Issuer as at such Measurement Date; by
- (b) (A) in the case of Euro-denominated Fixed Rate Collateral Debt Obligations, its stated coupon; (B) in the case of a non-Euro denominated Fixed Rate Collateral Debt Obligation which is an Asset Swap Obligation, the current per annum coupon at which the related Asset Swap Transaction pays interest,

and dividing such sum by (Y) the sum of the Principal Balances (excluding Purchased Accrued Interest) of each Fixed Rate Collateral Debt Obligation referred to in paragraphs (X)(a) the division of (X) and (Y) above, the "**Non-Adjusted Weighted Average Fixed Rate Coupon**",

in each case (1) excluding, in respect of each Mezzanine Obligation held by the Issuer in respect of such Measurement Date, any interest which has been contractually deferred pursuant to its terms; and (2) as adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty or otherwise.

"**Effective Spread**" means with respect to any Floating Rate Collateral Debt Obligation (including the Funded Amount of Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation), the current per annum rate at which it pays interest in excess of EURIBOR or such other floating rate index (any such floating rate index, a "**Base Rate**" and any such current per annum rate the "Spread") upon which such Collateral Debt Obligation bears interest; provided, that, if such Floating Rate Collateral Debt Obligation utilises a minimum Base Rate for the purposes of calculating interest due on such Floating Rate Collateral Debt Obligation (the "**Base Rate Floor**") and the Base Rate Floor is in effect, then such asset shall have an Effective Spread equal to (i) its Spread plus, (ii) if positive, (x) its Base Rate Floor minus (y) the greater of (a) zero and (b) its Base Rate.

The "**Reference Weighted Average Fixed Coupon**", as of any Measurement Date, means 5.50 per cent.

The "**Weighted Average Coupon Adjustment Percentage**" means a percentage equal as of any Measurement Date to a number obtained by multiplying (a) the result, if any, of the Weighted Average Fixed Rate Coupon minus the Reference Weighted Average Fixed Coupon by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations, in each case excluding Defaulted Obligations which product may, for the avoidance of doubt, be negative.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than or equal to the number of years (rounded up to the nearest one hundredth thereof) during the period from such Measurement Date to 12 April 2025.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Debt Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Debt Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Debt Obligation.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Debt Obligations other than Defaulted Obligations, the number of years (rounded down to the nearest one hundredth thereof) following such date obtained by summing the products obtained by multiplying (a) the Average Life at such time of each such Collateral Debt Obligation by (b) the Principal Balance of such Collateral Debt Obligation, and dividing such sum by the Aggregate Principal Balance at such time of all Collateral Debt Obligations other than Defaulted Obligations.

Rating Definitions

S&P Ratings Definitions

"Information" means S&P's "Credit Estimate Information Requirements" dated April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"S&P Rating" means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

- (a) if there is an S&P Issuer Credit Rating of the issuer of such Collateral Debt Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Debt Obligation pursuant to a form of guarantee approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Debt Obligations of such issuer held by the Issuer, provided that private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);
- (b) if there is no S&P Issuer Credit Rating of the issuer or guarantor by S&P but,
 - (iii) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-categories below such rating;
 - (iv) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Debt Obligation shall equal such rating; and
 - (v) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Debt Obligation shall be one sub-category above such rating;
- (c) with respect to any Collateral Debt Obligation that is a Current Pay Obligation, the S&P Rating applicable to such obligation shall be the issue level rating thereof and if there is no such issue level rating, the S&P Rating applicable to such Current Pay Obligation shall be "CCC-";
- (d) with respect to any Collateral Debt Obligation that is a Corporate Rescue Loan:
 - (i) falling within paragraph (a) of the definition of Corporate Rescue Loan, and if (x) S&P has assigned a public rating to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such public rating; or
 - (ii) falling within paragraph (b) of the definition of Corporate Rescue Loan, and if S&P has assigned an S&P Issuer Credit Rating or credit estimate to such Corporate Rescue Loan, the S&P Rating for such Corporate Rescue Loan shall be such S&P Issuer Credit Rating or credit estimate; or
 - (iii) upon application by the Issuer (or the Portfolio Manager on behalf of the Issuer) to S&P for a credit estimate, the applicable Corporate Rescue Loan shall be deemed to have an S&P Rating of "D"; and
- (e) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined (other than in the case of Corporate Rescue Loans) pursuant to paragraphs (i) and (ii) below:
 - (i) if an obligation of the issuer is not a Corporate Rescue Loan and is publicly rated by Moody's Investors Services, Inc. and any successor or successors thereto ("Moody's"), then the S&P Rating will be determined in accordance with the methodologies for establishing the S&P Rating set forth above except that the S&P Rating of such

obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower; provided that in each case, the S&P Rating will be a further sub-category below the S&P equivalent of the Moody's rating of the applicable obligation if the relevant Moody's rating is on "credit watch negative" by Moody's provided further that, the S&P Rating shall not be determined pursuant to this paragraph (e)(i) in respect of any Collateral Debt Obligation, if doing so would result in the Aggregate Principal Balance of Collateral Debt Obligations for which S&P Ratings have been determined pursuant to this paragraph (e)(i) exceeding 15 per cent. of the Aggregate Collateral Balance at the relevant time (where, for the purposes of determining the Aggregate Collateral Balance, the Principal Balance of each Defaulted Obligation shall be equal to its S&P Collateral Value); and

- (ii) the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Portfolio Manager on behalf of the Issuer or the issuer of such Collateral Debt Obligation shall, prior to or within 30 days after the acquisition of such Collateral Debt Obligation, apply (and concurrently submit all available information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; provided that, if such information is submitted within such 30 day period, then, for a period of up to 90 days after acquisition of such Collateral Debt Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Debt Obligation shall have an S&P Rating as determined by the Portfolio Manager in its sole discretion if (A) the Portfolio Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Portfolio Manager is commercially reasonable and that the S&P Rating, will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Debt Obligations subject to an S&P Rating determined by the Portfolio Manager in accordance with (A) does not exceed 5 per cent. of the Aggregate Collateral Balance (for such purpose the Principal Balance of all Defaulted Obligations shall be their S&P Collateral Value); provided further that (x) if such information is not submitted within such 30 day period and (y) following the end of the 90-day period set forth above, pending receipt from S&P of such estimate, the Collateral Debt Obligation shall have an S&P Rating of "CCC-"; unless, in the case of clause (y) above, during such 90-day period, the Portfolio Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; provided further that if the Collateral Debt Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Debt Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; provided further that such credit estimate shall expire 12 months after the acquisition of such Collateral Debt Obligation, following which such Collateral Debt Obligation shall have an S&P Rating of "CCC-" unless, during such 12 month period, the Issuer (or the Portfolio Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Portfolio Management Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Debt Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Debt Obligation; provided further that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Debt Obligation and (when renewed annually in accordance with the Portfolio Management Agreement) on each 12-month anniversary thereafter,

provided that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral Debt Obligation will be determined in accordance with the below:

- (a) if such Collateral Debt Obligation is not a Corporate Rescue Loan:
 - (i) with respect to any Collateral Debt Obligation in respect of which there is a Fitch issuer default rating including credit opinions, whether public or privately provided to the Portfolio Manager following notification by the Portfolio Manager that the Issuer has entered into a binding commitment to acquire such Collateral Debt Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;
 - (ii) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;
 - (iii) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;
 - (iv) if in respect of the Collateral Debt Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating, or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;
 - (v) if in respect of the Collateral Debt Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;
 - (vi) if in respect of the Collateral Debt Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating; or
 - (vii) if a Fitch Rating cannot otherwise be assigned, the Portfolio Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Collateral Debt Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Portfolio Manager believing (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
- (b) if such Collateral Debt Obligation is a Corporate Rescue Loan,
 - (i) if such Corporate Rescue Loan has a publicly available rating from Fitch or has been assigned an issue-level credit assessment by Fitch, the Fitch Rating shall be such rating or credit assessment; or
 - (ii) otherwise the Issuer or the Portfolio Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Portfolio Manager believing (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 Debt Obligation shall be treated as "D" and (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 Debt 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, (y) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by Moody's or S&P, then in the case only where the Fitch Rating is derived from a rating assigned by Moody's or S&P, the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Moody's or S&P (as applicable), and (z) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Debt Obligations at any time.

"Fitch IDR Equivalent" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"Fitch Rating Mapping Table" means the following table:

Rating Type	Applicable Rating Agency(ies)	Issue rating	Mapping Rule
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior, senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior, senior secured or subordinated secured	Moody's	"Ba2" or below, but above "Ca"	-2
Senior, senior secured or subordinated secured	Moody's	"Ca"	-1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated (junior or senior)	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"Insurance Financial Strength Rating" means, in respect of a Collateral Debt Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"Moody's CFR" means, in respect of a Collateral Debt Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"Moody's Long Term Issuer Rating" means, in respect of a Collateral Debt Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"Moody's/S&P Corporate Issue Rating" means, in respect of a Collateral Debt Obligation, the lower of the Fitch IDR Equivalent ratings, determined in accordance with the Fitch Rating Mapping Table, corresponding to any outstanding publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Debt Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

6. The Coverage Tests

The coverage tests (the "**Coverage Tests**") will consist of the Class A-R/B-R Par Value Test, the Class C-R Par Value Test, the Class D-R Par Value Test, the Class E-R Par Value Test and the Class F-R Par Value Test (each, a "**Par Value Test**" and as defined in the Conditions of the Notes) and the Class A-R/B-R Interest Coverage Test, the Class C-R Interest Coverage Test, the Class D-R Interest Coverage Test and the Class E-R Interest Coverage Test (each, an "**Interest Coverage Test**" and as defined in the Conditions of the Notes). The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C-R Notes, the Class D-R Notes, the Class E-R Notes, the Class F-R Notes and the Subordinated Notes and whether Principal Proceeds may be reinvested in Substitute Collateral Debt Obligations or whether Interest Proceeds and/or Principal Proceeds must be used to redeem some or all of the Notes as specified.

Each of the Class A-R/B-R Par Value Test, the Class A-R/B-R Interest Coverage Test, the Class C-R Par Value Test, the Class C-R Interest Coverage Test, the Class D-R Par Value Test, the Class D-R Interest Coverage Test, the Class E-R Par Value Test, the Class E-R Interest Coverage Test and the Class F-R Par Value Test shall apply on a Measurement Date (other than the Class F-R Par Value Test which shall apply on any Measurement Date on and after the expiry of the Reinvestment Period) 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.

Class	Required Interest Coverage Ratio	Required Par Value Ratio
A/B	120.00%	131.12%
C	110.00%	120.41%
D	105.00%	114.14%
E	101.00%	106.82%
F	N/A	104.03%

7. Additional Reinvestment Test

The "**Additional Reinvestment Test**" will be satisfied as of any Measurement Date during the Reinvestment Period, if as at such Measurement Date, the Class F-R Par Value Ratio is at least 104.53 per cent.

DESCRIPTION OF THE PORTFOLIO MANAGEMENT AGREEMENT

The following description of the Portfolio Management Agreement consists of a summary of certain provisions of the Portfolio Management Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Prospectus shall have the meaning given to them in the Portfolio Management Agreement.

The Portfolio Management functions described herein will be performed by the Portfolio Manager pursuant to authority granted to the Portfolio Manager by the Issuer under the Portfolio Management Agreement, subject to the overall discretion of the Issuer. The Portfolio Management Agreement contains procedures whereby any recommendation made by the Portfolio Manager to the Collateral Administrator (as agent on behalf of the Issuer) in relation to the acquisition, disposal, reinvestment and management of the Portfolio may be subject to a determination, in respect of certain matters, and confirmation in respect thereof being given by the Collateral Administrator and approval by the Trustee. Pursuant to the Portfolio Management Agreement, the Issuer has delegated and may delegate authority to the Portfolio Manager to carry out certain functions in relation to the Portfolio and the hedging arrangements without the requirement for specific approval by the Issuer, the Collateral Administrator or the Trustee.

The Portfolio Manager has agreed to perform the portfolio management and related functions described herein.

1. Fees

Subject to the Priorities of Payment, the Portfolio Manager shall be paid a Senior Portfolio Management Fee and a Subordinated Portfolio Management Fee on each Payment Date up to the Maturity Date (or, if earlier, the date upon which the Notes are to be redeemed in full). The Senior Portfolio Management Fee shall be equal to 0.10 per cent. per annum of the Average Aggregate Collateral Balance calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, and in each case, on the basis of a 360-day year comprised of twelve 30-day months (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value) and shall be exclusive of VAT. The Subordinated Portfolio Management Fee shall be equal to 0.40 per cent. per annum of the Average Aggregate Collateral Balance calculated quarterly (or, following the occurrence of a Frequency Switch Event, semi-annually) in respect of each Due Period, and in each case, on the basis of a 360-day year comprised of twelve 30-day months (provided that for such purpose the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P Collateral Value and its Fitch Collateral Value) and shall be exclusive of VAT. Any VAT in respect of the Senior Portfolio Management Fee or the Subordinated Portfolio Management Fee (whether payable to the Portfolio Manager or directly to the relevant tax authority) shall be paid in the priority level as set forth in the Priorities of Payment. Any amounts of due but unpaid Subordinated Portfolio Management Fees shall bear interest in accordance with the Portfolio Management Agreement.

In addition to the above, the Portfolio Manager shall be paid a performance related fee, the "**Incentive Management Fee**". The Incentive Management Fee is due and payable to the Portfolio Manager on the first Payment Date on which the Subordinated Noteholders receive an amount equal to the Incentive Management Fee IRR Threshold and on each Payment Date thereafter and is equal to 20 per cent. of the cashflow, if any, available for payment to the Subordinated Noteholders in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments and shall be exclusive of VAT.

The Portfolio Manager may, in accordance with the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Portfolio Management Agreement, elect to defer all or part of its Subordinated Portfolio Management Fee that would otherwise be due and payable on any Payment Date. Any Deferred Subordinated Portfolio Manager Amounts shall be applied in accordance with the Priorities of Payment, subject to the Portfolio Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied. For the avoidance of doubt, any such Deferred Subordinated Portfolio Manager Amounts shall be treated as unpaid and shall accrue interest in accordance with the Portfolio Management Agreement.

2. **Cross Transactions and Affiliate Transactions**

The Portfolio Manager, on behalf of the Issuer, may conduct principal trades with itself and its Affiliates subject to applicable law. In addition, the Portfolio Manager and its Affiliates will be authorised to engage in certain cross transactions, including "agency cross" transactions (i.e. transactions in which either the Portfolio Manager or one of its Affiliates or another person acts as a broker for both the Issuer and another person on the other side of the same transaction, which person may be an account or client for which the Portfolio Manager or any Affiliate serves as investment adviser). The Issuer has agreed to permit cross transactions; provided that such consent can be revoked at any time by the Issuer and to the extent that the Issuer's consent with respect to any particular cross transaction is required by applicable law. By purchasing a Note, a holder shall be deemed to have consented to the procedures described herein relating to cross transactions and principal transactions. The Portfolio Manager or its Affiliates may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to any such principal transaction or cross transactions. See "*Risk Factors – Certain Conflicts of interest regarding Portfolio Manager*".

The Portfolio Manager may also conduct transactions for its own account, for the account of its Affiliates, for the account of the Issuer or for the accounts of third parties and will endeavour to resolve conflicts with respect to investment opportunities arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law as disclosed under "*Risk Factors – Certain Conflicts of interest regarding Portfolio Manager*". Without limiting the foregoing but subject to compliance with the Portfolio Manager's best execution policy and acquisition standards, the Portfolio Manager, on behalf of and for the account of the Issuer, may sell Collateral Debt Obligations to, or buy Collateral Debt Obligations from, the Portfolio Manager, any Affiliate of the Portfolio Manager, or any fund managed by the Portfolio Manager (some or all of which Affiliates or funds may be owned in part by principals, partners, members, directors, managers, directors, officers, employees, agents or Affiliates of the Portfolio Manager) in transactions in which the Portfolio Manager, an Affiliate or such fund acts as principal on the other side of the transaction from the Issuer and buys or sells the Collateral Debt Obligations for its own account, provided that such affiliate transactions shall be made in accordance with the procedures set forth in the Portfolio Management Agreement.

3. **Standard of Care of the Portfolio Manager**

Pursuant to the Portfolio Management Agreement, the Portfolio Manager will agree with the Issuer that it will perform its obligations, duties and discretions and take any actions under the Portfolio Management Agreement, the Trust Deed and the Transaction Documents (to the extent that it is a party thereto), with reasonable care and in good faith, in a manner consistent with practices and procedures followed by reputable institutional portfolio managers of international standing relating to assets of the nature and character of the Collateral (the "**Standard of Care**"). The Standard of Care may change from time to time to reflect changes by the Portfolio Manager to its customary and usual administrative policies and procedures provided that such policies and procedures are at least as rigorous as the Standard of Care. To the extent not inconsistent with the foregoing, the Portfolio Manager will follow its customary and usual administrative and responsible investment policies and procedures in performing its duties under the Portfolio Management Agreement.

4. **Responsibilities of the Portfolio Manager, Indemnities**

The Portfolio Manager, its directors, officers, shareholders, partners, members, agents employees and its Affiliates and their directors, officers, shareholders, partners, members, agents and employees will not be liable in contract or tort to the Issuer, the Trustee, the holders of the Notes or any other person for any losses, claims, damages, judgments, assessments, costs, taxes or other liabilities (including legal fees and any irrecoverable VAT or similar tax charged or chargeable in respect of any of the foregoing) (collectively, "**Liabilities**") incurred as a result of the actions or inaction taken by the Portfolio Manager, the Issuer, the Trustee, the holders of the Notes or any other person that arise out of any or in connection with the performance by the Portfolio Manager of its duties under the Portfolio Management Agreement, except (a) by reason of acts or omissions constituting bad faith, fraud, wilful misconduct or negligence in the performance, or reckless disregard, of its obligations under the express terms of the Portfolio Management Agreement or (b) with respect to the information concerning the Portfolio Manager provided in writing by the Portfolio Manager for inclusion in the Prospectus if such

information contains any untrue or fraudulent statement of material fact or omits to state a material fact necessary in order to make the statements contained in the sections headed "*Description of The Portfolio Manager*", "*Risk Factors – certain conflicts of interest regarding Portfolio Manager*" as it relates to the Portfolio Manager, "*Risk Factors – The Portfolio Manager*" and "*The Retention Holder and Retention Requirements – Description of the Retention Holder*" of this Prospectus in light of the circumstances under which they were made, not misleading (each a "**Portfolio Manager Breach**", and together, "**Portfolio Manager Breaches**"). The Portfolio Manager (any Affiliates of the Portfolio Manager, and their shareholders, partners, directors, officers, members, attorneys, advisors, agents and employees) will be entitled to indemnification by the Issuer from and against any Liabilities incurred by such party in relation to, *inter alia*, the performance of the Portfolio's Manager's obligations under the Portfolio Management Agreement (save to the extent caused by a Portfolio Manager Breach) which will be payable in accordance with the Priorities of Payment, in addition, the Issuer will reimburse each such party for all reasonable fees and expenses (including reasonable fees and expenses of legal counsel) incurred in investigating, preparing, pursuing or defending any claim, action, proceeding, or investigation with respect to any pending or threatened litigation caused by, or arising out of or in connection with, *inter alia* the issuance of the Notes, the transactions contemplated by this Prospectus or the Portfolio Management Agreement or other Transaction Documents (in each case save to the extent caused by a Portfolio Manager Breach or any tax imposed on or calculated by reference to the net income, profits or gains of each such party). The Portfolio Manager shall indemnify the Issuer and the Trustee in respect of any Portfolio Manager Breaches.

In no event will the Portfolio Manager be liable for special, indirect or consequential or other punitive loss or damage.

The Portfolio Manager will also be entitled (subject to certain conditions and exclusions as set out more fully in the Portfolio Management Agreement) to indemnification by the Issuer against any liability of the Issuer to UK corporation tax or diverted profits tax which is imposed upon the Portfolio Manager as the Issuer's UK tax representative (or (i) all the Notes are due to redeem within 30 days, (ii) the Issuer has been given a 'preliminary notice' under section 93, Finance Act 2015 or HM Revenue & Customs has otherwise indicated in any guidance, briefing, release or any other written statement that it considers that the Issuer (whether by specific reference or more generally by reference to other similar structures) is likely to be subject to diverted profits tax and (iii) the Portfolio Manager has received written advice from an internationally recognised firm of solicitors that it would be liable for that diverted profits tax were it to be charged but not paid by the Issuer, against the amount of diverted profits tax which HM Revenue & Customs has claimed or otherwise that the Portfolio Manager has been advised by an internationally recognised firm of accountants is, in their view, the best estimate of the amount of diverted profits tax for which the Issuer would be liable were HM Revenue & Customs to issue a 'charging notice'), and for any costs or expenses reasonably incurred by the Portfolio Manager in connection therewith.

5. Resignation of the Portfolio Manager

The Portfolio Manager may resign with or without cause upon at least 90 days' prior written notice to the Issuer, the Trustee, the Noteholders (in accordance with the Conditions), each Hedge Counterparty and each Rating Agency. The Portfolio Manager may resign its appointment hereunder upon shorter notice whether or not a replacement Portfolio Manager has been appointed where there is a change in law or the application of any applicable law which makes it illegal for the Portfolio Manager to carry on its duties under the Portfolio Management Agreement.

6. No Voting Rights

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

Any Notes held by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person will have no voting rights with respect to any vote (or written direction or consent) in connection with the removal of the Portfolio Manager, the appointment of a successor Portfolio Manager or with respect to the assignment, transfer or delegation by the Portfolio Manager of its obligations under the Portfolio

Management Agreement and will be deemed not to be Outstanding in connection with any such vote, provided, however, that any Notes held by the Portfolio Manager or any Portfolio Manager Related Person will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote.

7. Assignments, Delegation and Transfers

The Portfolio Manager may not assign, delegate or transfer its material rights or material responsibilities under the Portfolio Management Agreement (i) without the written consent of: (A) the Issuer (such consent not to be unreasonably withheld); (B) the holders of the Controlling Class acting by Ordinary Resolution; and (C) the holders of the Subordinated Notes acting by Ordinary Resolution, in each case excluding the Notes held by the Portfolio Manager or any Portfolio Manager Related Person and (ii) unless such assignment, transfer or delegation will not result in the EU Retention Requirements ceasing to be complied with or, if such transferee, assignee or delegate is to retain the Notes subject to and in accordance with the EU Retention Requirements, such assignee, transferee or delegate enters into an agreement on substantially the same terms as the EU Retention Requirements to acquire the Retention Notes on and from the date of such transfer, assignment or delegation, and subject to Rating Agency Confirmation and to such assignee, transferee or delegate having the requisite regulatory capacity; provided, that, to the extent permitted by the Portfolio Management 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 Portfolio Management Agreement, means an Affiliate of the Portfolio Manager that (i) is legally qualified and has the regulatory capacity to act as Portfolio Manager under the Portfolio Management Agreement; and (ii) employs, whether directly or indirectly, the principal personnel performing the duties required under the Portfolio Management Agreement prior to such assignment.

The Issuer may not assign or transfer its rights or obligations under the Portfolio Management Agreement without the prior written consent of the Portfolio Manager, the Trustee, the holders of each Class of Notes acting by Ordinary Resolution, each voting as a separate class, and subject to Rating Agency Confirmation and to such transferee or assignee having the requisite Irish regulatory capacity, except in the case of an assignment or transfer by the Issuer (i) to an entity that is a successor to the Issuer permitted under the Trust Deed or (ii) to the Trustee.

The Portfolio Manager, without the prior consent of the Issuer, any Noteholder, or the Trustee, may employ third parties, including its Affiliates, to render asset management services (including investment advice) and assistance in connection with its obligations under the Portfolio Management Agreement; provided that any such party has the necessary regulatory capacity to provide such services. In the event of such delegations, the Portfolio Manager shall not be relieved of any of its duties or liabilities arising under the Portfolio Management Agreement regardless of the performance of any services by third parties.

8. Portfolio Manager Event of Default

The Portfolio Manager may be removed upon the occurrence of a Portfolio Manager Event of Default upon 30 days' prior written notice (or in the case of a Portfolio Manager Event of Default pursuant to paragraph (F) of the definition thereof, upon 10 Business Days' prior written notice being delivered) to the Portfolio Manager by the Trustee (who shall notify each Hedge Counterparty) acting upon the instructions of an Ordinary Resolution of the Class A-R Noteholders (or, if the Class A-R Notes are held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind such Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person), or upon redemption in full of the Class A-R Notes, the instructions of an Ordinary Resolution of the holders of each Class of Notes (acting independently (excluding any such Class held entirely in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person)), or by the Issuer (in its own discretion). In determining the quorum for any meeting of such holders or whether the holders of the requisite percentage of Notes have given any such direction, notice or consent, Notes owned by the Portfolio Manager or any Portfolio Manager Related Person or held in the form of PM Non-Voting Notes or PM Non-Voting Exchangeable Notes shall be disregarded and deemed not to be Outstanding. If a Portfolio Manager Event of Default occurs,

the Portfolio Manager shall promptly give written notice thereof to the Issuer, the Trustee, the Collateral Administrator, each Rating Agency, each Hedge Counterparty and the Noteholders upon the Portfolio Manager becoming aware of the occurrence of such event.

9. Upon notice of removal or resignation of the Portfolio Manager

In the event that the Portfolio Manager has received notice that it will be removed or has given notice of its resignation, until a successor Portfolio Manager has been appointed and has accepted such appointment in accordance with the terms specified in the Portfolio Management Agreement, purchases and sales of Collateral Debt Obligations shall be only be made in relation to sale of Credit Impaired Obligations and Defaulted Obligations.

10. Replacement Portfolio Manager

Notwithstanding the foregoing, no termination, resignation or removal of the Portfolio Manager (except in circumstances where it has become illegal for the Portfolio Manager to carry on any of its duties under the Portfolio Management Agreement) shall be effective unless and until a replacement Portfolio Manager has agreed to assume all the duties and obligations arising out of the Portfolio Management Agreement and the Trust Deed, in accordance with the terms and conditions of the Portfolio Management Agreement and Rating Agency Confirmation has been received in respect thereof.

Upon any such removal or resignation of the Portfolio Manager or upon termination of the Portfolio Management Agreement while any of the Notes are outstanding, the Issuer shall appoint a successor portfolio manager which: (a) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Portfolio Manager under the Portfolio Management Agreement, (b) is legally qualified and has the capacity to act as portfolio manager under the Portfolio Management Agreement, as successor to the Portfolio Manager in the assumption of all of the responsibilities, duties and obligations of the Portfolio Manager thereunder, (c) shall not cause the Issuer to be, or deemed to be, resident for tax purposes or be engaged or deemed to be engaged, in the conduct of a trade or business or to otherwise become subject to tax in any jurisdiction other than in Ireland, (d) will not cause the Issuer or the Portfolio to become required to register under the provisions of the Investment Company Act, (e) in respect of which such appointment has received Rating Agency Confirmation and (f) will not result in the EU Retention Requirements ceasing to be complied with and, following such appointment of a successor portfolio manager, will result in the EU Retention Requirements continuing to be complied with or, if such successor appointee is to retain the Notes subject to and in accordance with the EU Retention Requirements, enters into an agreement on substantially the same terms as the EU Retention Requirements to acquire the Retention Notes on and from the date of such appointment. The Issuer shall appoint any substitute portfolio manager that satisfies the foregoing tests and is proposed by the holders of the Subordinated Notes acting by way of Ordinary Resolution, provided that the holders of the Controlling Class acting by way of Ordinary Resolution (or, if the Controlling Class is comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or entirely by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person) do not reject the appointment of such substitute portfolio manager within 30 days of such appointment, failing which the Trustee shall, acting on the instructions of the Controlling Class acting by way Ordinary Resolution (or, if the Controlling Class is comprised entirely of Notes entirely held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person, by an Ordinary Resolution of the next Class of Notes ranking immediately behind the Controlling Class that is not comprised entirely of Notes held in the form of PM Non-Voting Notes and/or PM Non-Voting Exchangeable Notes or by or on behalf of the Portfolio Manager or any Portfolio Manager Related Person) appoint a successor portfolio manager on behalf of the Issuer (and shall incur no liability for failing to so appoint a portfolio manager) in each case, subject to the requirements relating to any successor Portfolio Manager in paragraphs (a) to (f) above. For the purposes of the above (i) any Notes held by the Noteholders in the form of PM Non-Voting Exchangeable Notes and PM Non-Voting Notes shall have no voting rights with respect to the selection or appointment of the successor Portfolio Manager and (ii) any Notes held by or on behalf of a Portfolio Manager or a Portfolio Manager Related Person shall have no voting rights with respect to

the selection or appointment of the successor Portfolio Manager that is Affiliated to the Portfolio Manager.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

General

Elavon Financial Services DAC is a designated activity company registered in Ireland with the Companies Registration Office (registered number 418442) with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, London EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Elavon Financial Services DAC has been authorised to accept deposits, is regulated by the Central Bank of Ireland and is subject to the Financial Conduct Authority's Conduct of Business Rules.

Termination and Resignation of Appointment of the Collateral Administrator

The appointment of the Collateral Administrator may be terminated (a) without "cause" (as defined in the Portfolio Management Agreement) at any time upon 60 days' prior written notice by the Issuer or the Trustee at its discretion or acting upon the directions of the holders of each Class of Notes acting independently by Ordinary Resolution or (b) with "cause" at any time forthwith upon prior written notice to the Collateral Administrator by the Issuer or the Trustee at its discretion or acting upon the directions of the holders of the Controlling Class acting by Extraordinary Resolution or upon redemption in full of the Class A-R Notes, upon the direction of the holders of each Class of Notes acting independently by Ordinary Resolution. In addition, the Collateral Administrator can resign its appointment without "cause" (as defined in the Portfolio Management Agreement) at any time with immediate effect on 90 days' written notice and with "cause" on 10 days' prior written notice. Notwithstanding the foregoing, no proposed termination or resignation of the Collateral Administrator will be effective until a successor collateral administrator has been appointed.

Avoidance of Double Counting

When calculating the Balance standing to the credit of the Principal Account for the purposes of paragraph (b) of the definition of Aggregate Collateral Balance and paragraph (b) of the definition of Par Value Test Adjusted Principal Amount, in order to avoid double counting, (i) Principal Proceeds to be used to purchase Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase the relevant Collateral Debt Obligations but such purchase(s) have not yet settled shall be excluded as if such purchase had been completed and (ii) Principal Proceeds to be received in respect of the sale of Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to sell the relevant Collateral Debt Obligations but such sale has not yet settled shall be included as if such sale had been completed.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Portfolio Management Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge.

Hedge Agreements

Subject to (i) such arrangements at the time they are entered into satisfying the Hedge Agreement Eligibility Criteria, or (ii) the receipt by the Portfolio Manager of legal advice from a reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Portfolio Manager to register with the United States Commodities Futures Trading Commission as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended, the Issuer (or the Portfolio Manager on its behalf) may enter into hedging transactions as described below and documented under a 1992 (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("ISDA").

Currency Hedging Arrangements

Asset Swap Agreements

Subject to the Eligibility Criteria, the Issuer (or the Portfolio Manager on behalf of the Issuer) may purchase Non-Euro Obligations provided that an Asset Swap Transaction is entered into by the Issuer (or the Portfolio Manager on its behalf) in respect of each such Non-Euro Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement (and receipt of Rating Agency Confirmation in relation thereto unless such Asset Swap Transaction is a Form-Approved Asset Swap) no later than the settlement of the acquisition thereof.

Asset Swap Transactions will be on terms pursuant to which the initial principal exchange is made to fund the Issuer's acquisition of the related Non-Euro Obligation and the final and, if applicable, interim principal exchanges are made to convert the principal proceeds received in respect thereof at maturity and prior to maturity and coupon exchanges are made at the exchange rate specified for such transaction. Accordingly, under each Asset Swap Transaction, the currency risk arising from the receipt of certain cash flows from the relevant Non-Euro Obligation, including interest and principal payments thereon, will be hedged. The Asset Swap Transaction shall terminate on the maturity date of the Non-Euro Obligation and in the other circumstances specified therein.

Transactions entered into under an Asset Swap Agreement are documented in confirmations to such Asset Swap Agreement (each an "**Asset Swap Transaction**"). An Asset Swap Transaction, if entered into, will be:

- (a) used to hedge the currency (and if applicable interest rate) mismatch between the Notes and any Non-Euro Obligations;
- (b) in the case of a Form-Approved Asset Swap, subject to delivery of prior written notice to the Rating Agencies in respect thereof; and
- (c) other than in the case of a Form-Approved Asset Swap, subject to receipt of Rating Agency Confirmation in respect of the terms thereof.

Further, each Asset Swap Counterparty will be required to satisfy the applicable Rating Requirement (taking into account any guarantor thereof) and must have all necessary regulatory capacity to enter into derivatives transactions with the Issuer. No Asset Swap Transaction may be entered into if, at the time of entry into such transaction, there is a withholding or deduction for or on account of any tax required in respect of any payments by either party to such Asset Swap Transaction.

Upon the sale of an Asset Swap Obligation, the Asset Swap Transaction relating thereto shall be terminated on or around the date of such sale in accordance with its terms, resulting in either (i) the Asset Swap Counterparty receiving the proceeds of the sale of the Asset Swap Obligation from the Issuer (which shall be funded outside the Priorities of Payment from the Non-Euro Account) and returning the Sale Proceeds (in accordance with paragraph (b) of the definition thereof) to the Issuer (which shall be credited to the Principal Account); or (ii) the Issuer retaining the proceeds of sale of the Asset Swap Obligation and either receiving a payment from the Asset Swap Counterparty or making a payment to the Asset Swap Counterparty out of such sale proceeds in connection with the termination of the Asset Swap Transaction as required under the applicable Hedge Agreement (any amounts so received by the Issuer to be converted into Euro at the prevailing spot exchange rate and paid into the Principal Account in accordance with the Conditions).

Furthermore, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) (where the Trustee has started to liquidate all or part of the Portfolio), the Asset Swap Counterparty may, but shall not be obliged to, terminate any Asset Swap Transaction, in which case an Asset Swap Counterparty Termination Payment may be payable to the Issuer or an Asset Swap Issuer Termination Payment may be payable by the Issuer to the Asset Swap Counterparty in accordance with the Priorities of Payment. In the event that the Asset Swap Counterparty elects not to terminate any Asset Swap Transaction, the Asset Swap Transaction shall terminate in accordance with its terms upon the sale of the relevant Asset Swap Obligation (which the Trustee or the Portfolio Manager at the direction of the Trustee may decide to do in such circumstances) with the consequences described above. An Asset Swap Transaction may also terminate in accordance with its terms upon repayment in full of the related Asset Swap Obligation and related final exchange under such Asset Swap Transaction.

Prior to the entry into any Non-Euro Obligation which is a Revolving Collateral Obligation, the Issuer or the Portfolio Manager (acting on behalf of the Issuer) must obtain Rating Agency Confirmation of the Asset Swap Transaction proposed to be used in relation to such Revolving Collateral Obligation.

Replacement Asset Swap Transactions

Subject to the provisions of the Portfolio Management Agreement in the event that any Asset Swap Transaction terminates in whole at any time in circumstances in which the applicable Asset Swap Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Asset Swap Agreement) the Issuer, or the Portfolio Manager on its behalf, shall use commercially reasonable efforts to enter into a Replacement Asset Swap Transaction within 30 calendar days of the termination thereof with a counterparty which (or whose guarantor) satisfies, among other things, the applicable Rating Requirement and which has the regulatory capacity to enter into derivatives transactions with the Issuer.

In the event of termination of an Asset Swap Transaction in the circumstances referred to above, any Asset Swap Counterparty Termination Payment will be paid into the Interest Rate Hedge and Asset Swap Termination Receipt Account and shall be applied towards the costs of entry into a Replacement Asset Swap Transaction, together with, where necessary, Interest Proceeds that are available for such purpose, subject to receipt of Rating Agency Confirmation (unless such transaction is a Form-Approved Asset Swap), save:

- (a) where the Issuer or the Portfolio Manager on its behalf, determines not to replace such Asset Swap Transaction and Rating Agency Confirmation is received in respect of such determination; or
- (b) where termination of the Asset Swap Transaction occurs on the Maturity Date or a Redemption Date pursuant to Condition 7(a) (*Final Redemption*), Condition 7(b) (*Optional Redemption*) (other than in connection with a Refinancing), Condition 7(d) (*Redemption following a Note Tax Event*) or Condition 10 (*Events of Default*)); or
- (c) to the extent that such Asset Swap Counterparty Termination Payment is not required for application towards any Asset Swap Replacement Payment,

in which event such Asset Swap Counterparty Termination Payment shall be paid into the Interest Account upon receipt thereof by the Issuer.

In the event that the Issuer receives any Asset Swap Replacement Receipt upon entry into a Replacement Asset Swap Transaction, such amount shall be paid into the Interest Rate Hedge and Asset Swap Termination Receipt Account and applied directly by the Collateral Administrator acting on the instructions of the Portfolio Manager (acting on behalf of the Issuer) in payment of any Asset Swap Issuer Termination Payment payable upon termination of the Asset Swap Transaction being so replaced. To the extent not fully paid out of Asset Swap Replacement Receipts, any Asset Swap Issuer Termination Payment (except for a Defaulted Asset Swap Issuer Termination Payment) payable by the Issuer shall be paid to the applicable Asset Swap Counterparty out of Interest Proceeds (and in the case of any Defaulted Asset Swap Issuer Termination Payment on the next Payment Date out of Interest Proceeds and/or Principal Proceeds in accordance with the Priorities of Payment). To the extent not required for making any such Asset Swap Issuer Termination Payment, such Asset Swap Replacement Receipts shall be paid into the Interest Account.

Subject to sub-paragraph (a) above, in the event that a Replacement Asset Swap Transaction cannot be entered into in such circumstances, the Portfolio Manager, acting on behalf of the Issuer, shall sell the applicable Non-Euro Obligation, pay the proceeds thereof to the applicable Asset Swap Counterparty, to the extent required pursuant to the terms of such Asset Swap Transaction and/or to the extent not so required, shall convert all or part of such proceeds, as applicable, into Euro at the Spot Rate of Exchange and shall procure that such amounts are paid into the Principal Account. In the event that such proceeds are insufficient to pay any Asset Swap Issuer Termination Payments in full, such amount shall be paid out of Interest Proceeds (and in the case of any Defaulted Asset Swap Issuer Termination Payment, on the next Payment Date out of Interest Proceeds and/or Principal Proceeds in accordance with the Priorities of Payment).

Interest Rate Hedging Arrangements

Interest Rate Hedge Agreements

The Issuer (or the Portfolio Manager on its behalf) shall enter into Interest Rate Hedge Transactions from time to time in order to hedge any interest rate mismatch between the Notes and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof (other than in respect of a Form-Approved Interest Rate Hedge) and provided that the Interest Rate Hedge Counterparty satisfies the applicable Rating Requirement and has the regulatory capacity under all applicable laws, to enter into derivatives transactions with the Issuer. In accordance with the Portfolio Profile Tests, the Issuer shall hold a maximum of 5.0 per cent. of the Aggregate Collateral Balance of Unhedged Fixed Rate Collateral Debt Obligations.

Replacement Interest Rate Hedge Agreements

In the event that an Interest Rate Hedge Transaction terminates in whole at any time in circumstances which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each such term as defined in the applicable Interest Rate Hedge Agreement), the Issuer, or the Portfolio Manager on its behalf, shall use commercially reasonable efforts to enter into a Replacement Interest Rate Hedge Transaction within 30 days of termination thereof with an Interest Rate Hedge Counterparty which satisfies the applicable Ratings Requirement and which has the regulatory capacity to enter into derivatives transactions with the Issuer.

Standard Terms of the Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the Issuer and the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof.

Gross up

Under each Hedge Agreement the Issuer will not be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. The event of any withholding or deduction for or on account of tax required to be paid in respect of payments under each Hedge Agreement 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) transfer its residence for tax purposes to another jurisdiction (subject in some cases to the consent of the Hedge Counterparty) so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein and in the Conditions (including Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payment. The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse*). Collateral transferred to the Issuer by a Hedge Counterparty and standing to the credit of a Counterparty Downgrade Collateral Account shall be returned to the relevant Hedge Counterparty in accordance with the Conditions by the Issuer, outside the Priorities of Payment.

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the occurrence of a number of events (including without limitation):

- (a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;
- (b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account any applicable grace period;
- (c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or to perform its obligations under, the applicable Hedge Agreement;
- (d) the principal due in respect of the Notes is declared to be due and payable in accordance with the terms of the Trust Deed, and in some cases, the Trustee has started to sell all or part of the Collateral as a consequence thereof;
- (e) the Notes are redeemed in whole prior to the Maturity Date (otherwise than as a result of a Note Event of Default thereunder);
- (f) representations related to certain regulatory matters prove to be incorrect when made, if the Issuer becomes subject to AIFMD, if the Issuer or the Portfolio Manager is required to register as a "commodity pool operator" pursuant to the United States Commodity Exchange Act of 1936, as amended and certain representations relating to EMIR;
- (g) regulatory changes occur which have a material adverse effect on a Hedge Counterparty; and
- (h) changes are made to the Transaction Documents without the consent of a Hedge Counterparty which could have a material adverse effect on the Hedge Counterparty.

A termination of a Hedge Agreement does not constitute a Note Event of Default under the Notes.

Asset Swap Agreements may also contain provisions which allow an Asset Swap Transaction to terminate upon the occurrence of certain credit events related to the underlying Non-Euro Obligation. These credit events could potentially be triggered in circumstances where the related Collateral Debt Obligation would not constitute a Defaulted Obligation (as such term is defined in the Conditions). In such instances the related Asset Swap Transaction would terminate and the Issuer (or the Portfolio Manager acting on its behalf) may need to sell the related Non-Euro Obligation unless a Replacement Asset Swap Transaction can be entered into.

Rating Downgrade Requirements

Each Hedge Agreement shall contain the terms and provisions required by each Rating Agency for the type of derivative transaction described in this section in the event of the downgrade of the Hedge

Counterparty. Such provisions may include a requirement that a Hedge Counterparty downgraded below certain minimum levels consistent with the ratings of the Notes must post collateral; or transfer the Hedge Agreement to another entity meeting the applicable Rating Requirement; or procure that an eligible guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement; or takes other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Portfolio Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form-Approved Asset Swap or a Form-Approved Interest Rate Hedge (as applicable) following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose Credit Support Provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the regulatory capacity to enter into derivatives transactions with the Issuer.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Reporting of Specified Hedging Date

The Portfolio Manager, on behalf of the Issuer, may from time to time enter into agreements (each a “**Reporting Delegation Agreement**”) in a form approved by the Rating Agencies for the delegation of certain derivative transaction reporting obligations to one or more Hedge Counterparties or third parties (each, in such capacity, a “**Reporting Delegate**”).

Form-Approved Asset Swap or Form-Approved Interest Rate Hedge

If either Rating Agency provides written notice to the Portfolio Manager that a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge is no longer so approved by such Rating Agency, then the Portfolio Manager shall cause all future Hedge Transactions to be entered into on the terms of such modified Form-Approved Asset Swap or Form-Approved Interest Rate Hedge as shall have been approved by the applicable Rating Agency or Rating Agencies. For the avoidance of doubt, any such notice provided by a Rating Agency in respect of a Form-Approved Asset Swap or Form-Approved Interest Rate Hedge, shall not affect any Hedge Transaction entered into at any time prior to the receipt of such notice by the Portfolio Manager.

DESCRIPTION OF THE REPORTS

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Conditions.

1. Monthly Reports

The Collateral Administrator, not later than the 15th Business Day after the last calendar day of each month (save in respect of any month for which a Payment Date Report has been prepared) preceding the related Payment Date (or if such day is not a Business Day, the immediately following Business Day) on behalf, and at the expense, of the Issuer and in consultation with the Portfolio Manager, shall compile and make available to the Issuer, the Trustee, the Portfolio Manager, the Placement Agent, any Hedge Counterparty, Intex Solutions, Inc., the Bond Market Association and each Rating Agency and, upon written request therefor in the form set out in the Agency Agreement certifying that it is a holder of a beneficial interest in any Note, to such holder, a monthly report and in each case only to the extent that information has been provided to the Collateral Administrator ("**Monthly Report**"), which shall contain the information set out below with respect to the Portfolio, determined by the Collateral Administrator as of the last Business Day of the month in consultation with the Portfolio Manager and which shall be made available in PDF format, with the underlying portfolio data being made available in excel format or in CSV format, via a secured website currently located at <https://usbtrustgateway.usbank.com/portal/login.do> (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Trustee, the Portfolio Manager, the Placement Agent, the Hedge Counterparties, the Rating Agencies and the Noteholders from time to time), which shall be accessible to the Issuer, the Trustee, the Portfolio Manager, the Placement Agent, each Hedge Counterparty and each Rating Agency and, upon written request therefor in the form set out in the Agency Agreement, to any Noteholder by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes. The first such Monthly Report was distributed by the Collateral Administrator on 6 December 2013. Each Monthly Report produced shall also contain a commentary provided by the Portfolio Manager with respect to the performance of the Portfolio. For the avoidance of doubt, there will not be more than ten Monthly Reports per calendar year. For the purposes of the S&P CDO Monitor Test only, the Principal Balance of each Collateral Debt Obligation shall be expressed in the Monthly Report excluding any interest which has been capitalised pursuant to the terms thereof. The Monthly Reports shall contain the following information:

Portfolio

- (a) the Aggregate Principal Balance of the Collateral Debt Obligations;
- (b) the Par Value Test Adjusted Principal Amount of the Collateral Debt Obligations;
- (c) in respect of each Collateral Debt Obligation, its Principal Balance, annual interest rate, Stated Maturity, Obligor, Obligor's principal place of business or significant operations, Fitch Rating and S&P Rating (other than any confidential credit estimates), Fitch Recovery Rate and S&P Recovery Rate (but excluding any confidential estimates in relation thereto) and S&P industry classification;
- (d) the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations, Collateral Enhancement Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Portfolio Management Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balance of Collateral Debt Obligations released for sale or other disposition at the Portfolio Manager's discretion (expressed as a percentage of the Aggregate Collateral Balance measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Portfolio Manager;
- (e) the number, identity (including where applicable, LoanX ID, ISIN and CUSIP) and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations, Collateral Enhancement Obligations or Exchanged Securities acquired by the Issuer since the date of

determination of the last Monthly Report, whether such obligation is a Substitute Collateral Debt Obligation, and, if so, details of the section of the Portfolio Management Agreement pursuant to which it is being purchased, the purchase price thereof, any Purchased Accrued Interest and/or fees received in connection with such acquisition and the identity of the sellers thereof (if any) that are Affiliated with the Portfolio Manager;

- (f) subject to any confidentiality obligations binding on the Issuer and any restrictions imposed by applicable law, the identity of each Collateral Debt Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Security has been received since the date of determination of the last Monthly Report;
- (g) the Aggregate Principal Balance of Collateral Debt Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Portfolio Manager has actual knowledge;
- (h) in respect of each Collateral Debt Obligation that has been sold since the date of the previous report, its original acquisition price and the sale price of such Collateral Debt Obligation, together with, in each case, details of accrued interest (if any) and any premium or discount included therein;
- (i) a maturity profile in respect of the Portfolio;
- (j) the approximate Market Value (as determined by the Portfolio Manager in accordance with its Standard of Care) of each Collateral Debt Obligation and each Collateral Enhancement Obligation as of the preceding month-end;
- (k) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are Current Pay Obligations;
- (l) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are Fitch CCC Obligations or S&P CCC Obligations;
- (m) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are Discount Obligations;
- (n) in relation to any Collateral Debt Obligations which are subject to withholding tax on payments, any applicable rate of withholding tax on payments under such Collateral Debt Obligations and whether or not such withholding tax was factored into the purchase price paid by the Issuer for such Collateral Debt Obligation;
- (o) the Aggregate Principal Balance and identity of Collateral Debt Obligations that pay interest less frequently than semi-annually;
- (p) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are (i) PIK Securities and (ii) High Yield Bonds; and
- (q) the Aggregate Principal Balance and identity of Collateral Debt Obligations that are (i) Second Lien Loans, (ii) Unsecured Senior Obligations, and (iii) Mezzanine Obligations.

Accounts

- (a) the Balances standing to the credit of each of the Accounts (including the opening and closing Balances of such Accounts at the beginning and end, respectively, of such period) and the credits to, and debits from, such Accounts;
- (b) the purchase price, principal amount, redemption price, annual interest rate, maturity date and Obligor under each Eligible Investment purchased from funds in the Accounts; and
- (c) the name of each account bank for the time being.

Hedge Transactions

- (a) the outstanding Notional Amount (as defined therein) of each Hedge Transaction;

- (b) the amounts scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date (distinguishing between different types of payment thereunder);
- (c) the then current Fitch rating and S&P rating of each Hedge Counterparty; and
- (d) the name of each Hedge Counterparty.

Coverage Tests and Collateral Quality Tests

- (a) a statement as to whether each of the Class A-R/B-R Par Value Test, the Class C-R Par Value Test, the Class D-R Par Value Test, the Class E-R Par Value Test and the Class F-R Par Value Test (when applicable) is satisfied and details of the relevant Par Value Ratios;
- (b) a statement as to whether each of the Class A-R/B-R Interest Coverage Test, the Class C-R Interest Coverage Test, the Class D-R Interest Coverage Test and the Class E-R Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;
- (c) a statement as to whether each of the Collateral Quality Tests is satisfied (other than, following the expiry of the Reinvestment Period, the S&P CDO Monitor Test) and the pass levels thereof, together with details of the relevant S&P Matrix Spread, Non-Adjusted Weighted Average Spread and Non-Adjusted Weighted Average Fixed Rate Coupon, ; and
- (d) a statement identifying any Collateral Debt Obligation in respect of which the Portfolio Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

Portfolio Profile Tests

- (a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination, which details shall include the applicable numbers, levels and/or percentages resulting from such calculations; and
- (b) the identity and Fitch rating and S&P rating of each Selling Institution (other than any confidential credit estimates), together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity.

Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes, Class D-R Notes, Class E-R Notes and the Class F-R Notes

- (a) the Interest Amounts payable in respect of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes on the next Payment Date.

Additional Reinvestment Test

- (a) during the Reinvestment Period, a statement as to whether the Additional Reinvestment Test is satisfied and the applicable Class F-R Par Value Ratio.

Retention

- (a) confirmation that the Collateral Administrator has received written confirmation from the Retention Holder that:
 - (i) it continues to hold Subordinated Notes with a Principal Amount Outstanding (as of the Issue Date) multiplied by the price at which such Subordinated Notes were purchased by the Retention Holder on the Original Issue Date equal to not less than 5 per cent. of the Aggregate Collateral Balance as of the Issue Date (the "**Retention**"); and

- (ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the EU Retention Requirements;
- (b) confirmation of any other information or agreements supplied by the Retention Holder in writing as reasonably required to satisfy the EU Retention Requirements from time to time subject to and in accordance with the Retention Letter;
- (c) the calculation of 5 per cent. of the Aggregate Collateral Balance as of the most recent Determination Date for the purposes of determining whether a Retention Deficiency has occurred;
- (d) the amount of any Trading Gains paid into the Interest Account since the previous Payment Date pursuant to the Conditions;
- (e) confirmation of whether the Collateral Administrator has received written confirmation from the Portfolio Manager as to whether, since the previous Payment Date, an actual or potential Retention Deficiency has prohibited the Portfolio Manager from reinvesting in any Collateral Debt Obligations;
- (f) if a Retention Compliance Event occurs, confirmation as to whether a Retention Cure Action has taken place; and
- (g) confirmation as to whether the Portfolio Manager has notified the Collateral Administrator in writing that it is aware of a breach of the Foreign Safe Harbour.

PM Voting Notes / PM Non-Voting Notes / PM Non-Voting Exchangeable Notes

In respect of each of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes:

- (a) the aggregate Principal Amount Outstanding of PM Voting Notes;
- (b) the aggregate Principal Amount Outstanding of PM Non-Voting Exchangeable Notes; and
- (c) the aggregate Principal Amount Outstanding of PM Non-Voting Notes.

2. Payment Date Report

The Collateral Administrator, on behalf, and at the expense, of the Issuer, and in consultation with the Portfolio Manager, shall render an accounting report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and shall make each such Payment Date Report available in PDF format, with the underlying portfolio data being available in excel format or in CSV format, via a secured website currently located at <https://usbtrustgateway.usbank.com/portal/login.do> (or such other website as may be notified in writing by the Collateral Administrator to the Issuer, the Placement Agent, the Trustee, the Hedge Counterparties, the Portfolio Manager, the Rating Agencies and the Noteholders from time to time) which shall be accessible to the Issuer, the Placement Agent, the Trustee, each Hedge Counterparty, the Portfolio 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. Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. For the purposes of the S&P CDO Monitor Test only, the Principal Balance of each Collateral Debt Obligation shall be expressed in the Payment Date Report excluding any interest which has been capitalised pursuant to the terms thereof. The Payment Date Report shall contain the following information:

Portfolio

- (a) the Aggregate Principal Balance of the Collateral Debt Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the

Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period and (B) the disposition of any Collateral Debt Obligations during such Due Period;

- (b) a list of, respectively, the Collateral Debt Obligations and Collateral Enhancement Obligations indicating the Principal Balance and Obligor of each;
- (c) the Principal Proceeds received during the related Due Period;
- (d) the Interest Proceeds received during the related Due Period;
- (e) the Collateral Enhancement Obligation Proceeds received during the related Due Period;
- (f) the identity of any Collateral Debt Obligations or Exchanged Securities that were released for sale or other disposition, indicating whether such Collateral Debt Obligation is a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation and pursuant to which clause of the Portfolio Management Agreement such Collateral Debt Obligation or Exchanged Security was sold or disposed of; and
- (g) the information required pursuant to "*Monthly Reports - Portfolio*" above.

Notes

- (a) the interest payable in respect of each Class of Notes (as applicable) on the related Payment Date (in the aggregate and by Class); and
- (b) the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original Principal Amount Outstanding of the Notes of such Class at the beginning of the Due Period, the Principal Amount Outstanding of the Notes of each Class and as a percentage of the original amount Outstanding of the Notes of such Class, in each case after giving effect to the principal payments, if any, on such Payment Date, the amount of any Deferred Interest deferred on such Payment Date and the amount of Deferred Interest already outstanding in respect of the Class C-R Notes, the Class D-R Notes, the Class E-R Notes and the Class F-R Notes and the amount of principal payments to be made on the Notes of each Class on the related Payment Date.

Payment Date Payments

- (a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments, the Collateral Enhancement Obligation Proceeds Priority of Payments and the Post-Acceleration Priority of Payments;
- (b) the Trustee Fees and Expenses, the amount of any Portfolio Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis;
- (c) any Scheduled Periodic Asset Swap Counterparty Payments and any Asset Swap Counterparty Principal Exchange Amounts payable by any Asset Swap Counterparty on or immediately prior to the related Payment Date;
- (d) any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable by any Interest Rate Hedge Counterparty on or immediately prior to the related Payment Date; and
- (e) any Asset Swap Counterparty Termination Payments and any Interest Rate Hedge Counterparty Termination Payments payable by any Hedge Counterparty on or immediately prior to the related Payment Date.

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 amount of Collateral Enhancement Obligation Proceeds to be paid pursuant to the Collateral Enhancement Obligation Proceeds Priority of Payments on such Payment Date and the Balance standing to the credit of the Collateral Enhancement Account on such Payment Date after taking into account such payment;
- (i) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period and the credits to, and debits from, such Accounts; and
- (j) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts.

Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Additional Reinvestment Test

- (a) the information required pursuant to "*Monthly Reports – Coverage Tests and Collateral Quality Tests*", "*Monthly Reports - Portfolio Profile Tests*", and "*Monthly Reports - Additional Reinvestment Test*" above.

Hedge Transactions

- (a) the information required pursuant to "*Monthly Reports – Hedge Transactions*" above.

Frequency Switch Event

A statement indicating whether a Frequency Switch Event has occurred on the relevant Determination Date (to the extent notified in writing by the Portfolio Manager following consultation with the Collateral Administrator).

TAX CONSIDERATIONS

1. General

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

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

2. Ireland Taxation

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

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source yearly interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax, provided:

1. the person by or through whom the payment is made is not in Ireland; or
2. the payment is made by or through a person in Ireland, and either:
 - 2.1. the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are so recognised); or
 - 2.2. the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream, Luxembourg, interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax, provided it is a "qualifying company" (within the meaning of section 110 of the 1997 Act) and provided the interest is paid to a person resident in a member state of the European Union (other than Ireland) or in a country with which Ireland has a double taxation agreement (a "**Relevant Territory**"). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank in Ireland on behalf of any Noteholder who is Irish resident.

Taxation of the Issuer - Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade.

However, section 110 of 1997 Act), provides for special treatment in relation to qualifying companies within the meaning of section 110 of the 1997 Act (a "**Qualifying Company**") and it is expected that the Issuer will be such a Qualifying Company. A Qualifying Company is a company:

- (a) which is resident in Ireland;
- (b) which either:
 - (i) acquires qualifying assets from a person;
 - (ii) holds, manages or both holds and manages qualifying assets as a result of an arrangement with another person; or
 - (iii) has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;
- (c) which carries on in Ireland a business of holding, managing, or both the holding and management of, qualifying assets, including, in the case of plant and machinery acquired by the Qualifying Company, a business of leasing that plant and machinery;
- (d) which, apart from activities ancillary to that business, carries on no other activities;
- (e) which has notified an authorised officer of the Revenue Commissioners in the prescribed form within the prescribed time that it is, or intends to be, such a Qualifying Company; and
- (f) the market value of all qualifying assets held, managed, or both held and managed by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered into (which is itself a qualifying asset), but a company shall not be a Qualifying Company if any transaction is carried out by it otherwise than by way of a bargain made at arm's length apart from where that transaction is the payment of consideration for the use of principal in certain circumstances.

For this purpose, qualifying assets means assets which consist of, or of an interest (including a partnership interest) in, financial assets, commodities or plant and machinery.

If a company is a Qualifying Company, then profits arising from its activities shall be chargeable to corporation tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of that Schedule (which is applicable to trading income). Accordingly, expenses, including interest expenses, will be deductible if they are incurred wholly and exclusively by the Issuer for the purposes of its business as a Qualifying Company, subject to any required statutory adjustments.

However, where the interest represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the Issuer's business, such interest on the Notes will only be deductible if certain conditions are met. In addition, certain other payments which are dependent on the results of the Issuer's business will only be deductible if certain conditions are met.

Finance Act 2016

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

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

- (a) a prospectus, within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, the "**Prospectus Directive**");
- (b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of an EEA State; or
- (c) where the securities issued by the qualifying company will not be listed on an exchange in an EEA State, legally binding documents that
 - (i) may provide for a warehousing period, which for the purposes of this subsection means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities; and
 - (ii) provide for investment eligibility criteria that govern the type and quality of assets to be acquired,

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

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

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax (including Universal Social Charge ("**USC**") and levies). Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax (including USC) and levies. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are exemptions from Irish income tax (including USC) under section 198 of the 1997 Act in certain circumstances, including:

- (a) where the Issuer is a qualifying company within the meaning of section 110 of the 1997 Act and the interest is paid by the Issuer out of the assets of the Issuer to a person who is a resident of a Relevant Territory;
- (b) where the interest is exempt from withholding tax because it is payable on a quoted Eurobond and is paid by a company to:
 - (i) a person is resident of a Relevant Territory; or
 - (ii) a company controlled, either directly or indirectly, by persons resident in a Relevant Territory, and who are not under the control, whether directly or indirectly, of a person who is, or persons who are not so resident; or
 - (iii) a company the principal class of shares of which, is substantially and regularly traded on a stock exchange in Ireland, on a recognised stock exchange in a Relevant Territory or on such other stock exchange as is approved by the Minister for Finance of Ireland; and
- (c) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which is not resident in Ireland and is a resident of a Relevant Territory for the purposes of section 198 of the 1997 Act, and that Relevant Territory imposes a tax that

generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in section 826(1) of the 1997 Act, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in section 826(1) of the 1997 Act, had the force of law when the interest was paid.

For the purposes of section 198 of the 1997 Act, residence is determined under the terms of the relevant double taxation agreement, if such exists, or in any other case, the law of the country in which the Noteholder claims to be resident.

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

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax (including USC).

Capital Gains Tax

For as long as the Notes are listed on a stock exchange, a holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes, *provided that* such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Registered notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained.

Stamp Duty

On the basis of an exemption provided for in Section 85(2)(c) of the Stamp Duties Consolidation Act 1999, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Notes or Definitive Notes (each as defined in the Trust Deed), provided that the money raised by the Notes is used in the course of the Issuer's business.

Automatic Exchange of Information for Tax Purposes

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) ("**DAC2**") provides for the implementation among EU Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the CRS published by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions. DAC2 is generally broader in scope than the Savings Tax Directive, although it does not impose withholding taxes.

Under the CRS, governments of participating jurisdictions (currently more than 100 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. A group of over 40 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 with the first data exchanges taking place in September 2017. All EU Member States, except Austria introduced the CRS from 1 January 2016. Austria introduced CRS from 1 January 2017.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the 1997 Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the 1997 Act.

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

The Issuer, or the Portfolio Manager on behalf of the Issuer, or the Transfer Agent shall be entitled to require the Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the requirements of the CRS and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the Issuer, Portfolio Manager, Transfer Agent or any other person to the relevant tax authorities.

3. Certain U.S. Federal Income Tax Considerations

(a) **General**

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

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

- (i) are broker-dealers, securities traders, insurance companies, tax-exempt organisations, financial institutions, real estate investment trusts, regulated investment companies or grantor trusts;
- (ii) are certain former citizens or long-term residents of the United States;
- (iii) are partnerships or other pass-through entities for U.S. federal income tax purposes;
- (iv) hold Notes as part of a "straddle," "hedge," "conversion," "integrated transaction" or "constructive sale" with other investments; or
- (v) own or are deemed to own 10 per cent. or more, by voting power or value, of the equity of the Issuer (including Subordinated Notes and any other Notes treated as equity for U.S. federal income tax purposes).

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

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

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

- (ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;
- (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or
- (iv) a trust, (i) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

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

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

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

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

(b) **U.S. Federal Tax Treatment of the Issuer**

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

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

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

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

Representations. Each Noteholder 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 (A) either (i) it is not a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business (within the meaning of Section 881(c)(3)(A) of the Code), or (ii) it is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States, or (iii) all payments received or to be received by it from the Issuer are effectively connected with the conduct by such Noteholder of a trade or business within the United States, and (B) 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.

(c) **U.S. Federal Tax Treatment of the Notes**

Upon the issuance of the Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Portfolio Manager, the Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes, and Class D-R Notes will be treated, and the Class E-R Notes should be treated, as indebtedness of the Issuer for U.S. federal income tax purposes. No opinion will be received with respect to the Class F-R Notes. The Issuer intends to treat the Rated Notes as indebtedness for U.S. federal income tax purposes. The Issuer's characterisations will be binding on all U.S. Noteholders and non-U.S. Noteholders, and the Trust Deed requires the U.S. Noteholders and non-U.S. Noteholders to treat the Rated Notes as indebtedness for U.S. federal income tax purposes. Nevertheless, the IRS could assert, and a court could ultimately hold, that one or more Classes of Rated Notes are equity in the Issuer. If any Class of Rated Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, then the Noteholders of those Notes would be subject to the special and potentially adverse U.S. tax rules applicable to U.S. equity owners in PFICs. See "*Certain U.S. Federal Income Tax Considerations —U.S. Federal Tax Treatment of U.S. Noteholders of Subordinated Notes*" below. Except as otherwise indicated, the balance of this summary assumes that all of the Rated Notes are treated as indebtedness of the Issuer for U.S. federal income tax purposes. Prospective investors in the Rated Notes should consult their tax advisors regarding the U.S. federal income tax consequences to the investors in the event their Rated Notes are treated as equity in the Issuer.

(d) **U.S. Federal Tax Treatment of U.S. Noteholders of Rated Notes**

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

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds $\frac{1}{4}$ 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 Rated Notes is the sum of all payments required to be made on the Rated Note other than "qualified stated interest" payments. The "issue price" of a Rated Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

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

If a U.S. Noteholder holds a Rated Note with OID (an "**OID Note**") such U.S. Noteholder may be required to include OID in income before receipt of the associated cash payment, regardless of the U.S. Noteholder's accounting method for tax purposes. If the U.S. Noteholder is an initial purchaser of an OID Note, the amount of the OID includible in income is the sum of the daily accruals of the OID for the Note for each day during the taxable year (or portion of the taxable year) in which such U.S. Noteholder held the OID Note. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the OID Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the difference between: (a) the product of the "adjusted issue price" of the OID Note at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period); and (b) the amount of any qualified stated interest allocable to the accrual period. The "adjusted issue price" of an OID Note at the beginning of any accrual

period is the sum of the issue price of the OID Note plus the amount of OID allocable to all prior accrual periods reduced by any payments the U.S. Noteholder received on the OID Note that were not qualified stated interest. Under these rules, the U.S. Noteholder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

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

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

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

The 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 apply to debt instruments described in Section 1272(a)(6). Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

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

(e) Sale, exchange or other disposition of the Rated Notes

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

A U.S. Noteholder's adjusted tax basis in a Rated Note generally will be the cost of the Rated 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 Rated Note was purchased, and increased by the amount of any OID accrued and reduced by any payments other than payments of qualified stated interest of such Note. The amount realised on the sale, exchange or other disposition of a Rated Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date on which the Rated Note is disposed. To the extent this amount realised differs from the U.S. Dollar value of the currency received on the settlement date, the U.S. Noteholder will recognise foreign currency gain or loss to the extent of this difference. If, however, the Rated Notes are traded on an established securities market, a cash basis U.S. Noteholder or electing accrual basis U.S. Noteholder will determine the amount realised at the spot rate on the settlement date of the purchase. An election by an accrual basis U.S.

Noteholder to apply the spot rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS.

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

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

(f) **Alternate Characterisation.**

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. Noteholders. If U.S. Noteholders 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. Noteholders would be as described under "*Certain U.S. Federal Income Tax Considerations — U.S. Federal Tax Treatment of U.S. Noteholders of Subordinated Notes*".

(g) **U.S. Federal Tax Treatment of U.S. Noteholders of Subordinated Notes**

The Issuer has agreed and, by its acceptance of a Subordinated Note, each U.S. Noteholder and Non-U.S. Noteholder of a Subordinated Note or interest therein 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. Noteholders of the Subordinated Notes were treated as owning debt of the Issuer, the U.S. federal income tax consequences to those U.S. Noteholders would be as described above under "*Certain U.S. Federal Income Tax Considerations — U.S. Federal Tax Treatment of U.S. Noteholders of Subordinated 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.

(h) **Investment in a Passive Foreign Investment Company**

A non-U.S. 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 non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a non-U.S. 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, the Issuer will constitute 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. Noteholders 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*").

Unless a U.S. Noteholder elects to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), upon excess distributions by the Issuer and upon a disposition of the Subordinated Notes at a gain, the U.S. Noteholder 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. Noteholder's holding period for the Subordinated Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution. An "excess distribution" is the amount by which distributions during a taxable year in respect of a Subordinated Note exceed 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. Noteholder's holding period for such Subordinated Note).

If a U.S. Noteholder 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. Noteholder's holding period or subject to an interest charge. Instead, a U.S. Noteholder that makes a QEF election is required for each taxable year to include in income the U.S. Noteholder'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. Noteholder must receive from the Issuer certain information. The Issuer will cause its independent accountants to provide U.S. Noteholders of the Subordinated Notes (and any other Class of Notes treated as equity for U.S. federal income tax purposes), upon request by such U.S. Noteholder and at the Issuer's expense, with the information reasonably available to the Issuer that a U.S. Noteholder reasonably requests to make a QEF election. Except as expressly noted, the discussion below assumes that a QEF election will not be made.

As a result of the nature of the Collateral Debt Obligations that the Issuer intends to hold, the Issuer may hold investments treated as equity of non-United States corporations that are PFICs. In such a case, assuming that the Issuer is a PFIC, a U.S. Noteholder would be treated as owning its *pro rata* share of the stock of the PFIC owned by the Issuer. Such a U.S. Noteholder would be subject to the rules generally applicable to shareholders of PFICs discussed above with respect to certain distributions received by the Issuer from such a PFIC and dispositions by the Issuer of the stock of such a PFIC (even though the U.S. Noteholder may not have received the proceeds of such distribution or disposition). Assuming the Issuer receives the necessary information from the PFIC in which it owns stock, certain U.S. Noteholders may make the QEF election discussed above with respect to the stock of the PFIC owned by the Issuer. However, no assurance can be given that the Issuer will be able to provide U.S. Noteholders with such information. If the Issuer is a PFIC, each U.S. Noteholder of a Subordinated Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the U.S. Noteholder holds a direct or indirect interest. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC rules. In addition, U.S. Noteholders of Subordinated Notes who have made or intend to make a QEF election should consult their own advisers regarding the possibility that the Issuer might recognise "Cancellation of Indebtedness Income" as a result of this offering, and the possible consequences to them of such income. Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisors regarding the consequences to it of

acquiring Subordinated Notes. If a U.S. Noteholder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Noteholder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

(i) **Investment in a Controlled Foreign Corporation**

Depending on the degree of ownership of the Subordinated Notes and other equity interests in the Issuer by U.S. Noteholders 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. Noteholders 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 dividend 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, predominantly all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends", subpart F inclusions and qualified electing fund inclusions and interest on Rated Notes paid to a U.S. 10 per cent. shareholder or person related thereto 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. Noteholders 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. Noteholder of Subordinated Notes is a U.S. 10 per cent. Shareholder of the Issuer, such Noteholder 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. Noteholder 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.

The Issuer will cause its independent accountants to provide a U.S. Noteholder of the Subordinated Notes (and any other Class of Notes treated as equity for U.S. federal income tax purposes) at the Issuer's expense with the information reasonably available to the Issuer that such U.S. Noteholder reasonably requests to comply with the CFC rules.

(j) **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. To the extent previously taxed earnings and profits are distributed, such distributions will not

constitute taxable dividends, but may subject U.S. Noteholders to foreign currency gain or loss upon receipt as described under paragraph (l) below. Distributions of current or accumulated earnings and profits of the Issuer which are not excess distributions or distributions of previously taxed income will be taxed as dividends when received. 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. Noteholder may realise foreign currency gain or loss on a subsequent disposition of the euro received.

(k) **Sale, exchange, or other disposition of the Subordinated Notes.**

In general, a U.S. Noteholder of a Subordinated Note will recognise gain or loss upon the sale or exchange or other disposition of the Subordinated Note equal to the difference between the amount realised and such Noteholder's adjusted tax basis in such Subordinated Note. Initially, the tax basis of a U.S. Noteholder should equal the U.S. dollar value of the amount paid for a Subordinated Note. Such basis will be increased by amounts taxable to such Noteholder 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. Noteholder that receives foreign currency upon the sale, exchange 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 disposition, and will realise currency gain or loss (or ordinary gain or loss) to the extent the U.S. Dollar value of the foreign currency received on the settlement date differs from the U.S. Dollar value of that amount on the date of disposition. If, however, the Subordinated 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. A U.S. Noteholder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount of the foreign currency received on the settlement date. Any gain or loss realised by a U.S. Noteholder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

Unless a QEF election is made, any gain realised on the sale or exchange or other disposition of a Subordinated Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual U.S. Noteholders that have held the Subordinated Notes for more than one year, if the Issuer were treated as a CFC and a U.S. Noteholder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realized by such Noteholder upon the disposition of Subordinated Notes would be treated as ordinary income to the extent of the U.S. Noteholder'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.

(l) **Foreign Currency Gain or Loss**

A U.S. Noteholder 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 foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion.

(m) **Transfer and Information Reporting Requirements**

In general, a U.S. Noteholder that acquires the Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) for cash may be required to file an IRS Form 926 or similar form with the IRS and to supply certain additional information to the IRS if (i) such person is treated as owning, directly or by attribution, immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the amount of cash transferred by such person (or any related person) to the Issuer during the 12-month period ending on the date of such transfer exceeds \$100,000. In the event a U.S. Noteholder that is required to file fails to file

such form, that U.S. Noteholder 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.

A U.S. Noteholder that is treated as owning (actually or constructively) at least 10 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes may be required to file an information return on IRS Form 5471, and provide additional information regarding the Issuer annually on IRS Form 5471 if it is treated as owning (actually or constructively) more than 50 per cent. by vote or value of the equity of the Issuer for U.S. federal income tax purposes. In the event a U.S. Noteholder that is required to file such form fails to file such form, the U.S. Noteholder could be subject to a penalty of U.S. \$10,000 for each such failure to file (in addition to other consequences).

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

U.S. Noteholders that fail to comply with these reporting requirements may be subject to adverse tax consequences, including a "tolling" of the statute of limitations with respect to their U.S. tax returns. U.S. Noteholders should consult their tax advisors with respect to these and any other reporting requirements that may apply with respect to their acquisition or ownership of the Notes.

(n) **U.S. Federal Tax Treatment of Non-U.S. Noteholders of Notes**

Subject to the discussion relating to FATCA and backup withholding below, in general, payments on the Notes to a Non-U.S. Noteholder that provides appropriate tax certifications to the Issuer and gain realised on the sale, exchange or other disposition of the Notes by the Non-U.S. Noteholder will not be subject to U.S. federal income or withholding tax unless (i) such income is effectively connected with a trade or business conducted by such Non-U.S. Noteholder in the United States, or (ii) in the case of gain, such Non-U.S. Noteholder is a non-resident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

(o) **Information Reporting and Backup Withholding**

Under certain circumstances, the Code requires "information reporting" annually to the IRS and to each holder, and "backup withholding", with respect to certain payments made on or with respect to the Notes. Backup withholding will apply to a U.S. Noteholder only if the U.S. Noteholder (i) fails to furnish its Taxpayer Identification Number ("TIN") which, for an individual, would be his or her Social Security Number, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that it has failed to properly report payments of interest and dividends, or (iv) under certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments. U.S. Noteholders that provide a correct, complete, and accurate IRS Form W-9 generally will be exempt from U.S. backup withholding.

A Non-U.S. Noteholder that provides an applicable IRS Form W-8, together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S.

Noteholder and stating that the Non-U.S. Noteholder is not a United States person, will not be subject to IRS reporting requirements and US backup withholding.

Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the Non-U.S. Noteholder otherwise establishes an exemption.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), provided that certain required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns also may be made available to the tax authorities in the country in which a Non-U.S. Noteholder is a resident under the provisions of an applicable income tax treaty or agreement.

(p) **Foreign Account Tax Compliance Act (FATCA)**

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

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

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

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

Provided that the Issuer is treated as a Reporting FI pursuant to the U.S.-Ireland IGA, the Issuer would not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and any financial institutions through which payments on the

Notes are made may be required to withhold FATCA Withholding in respect of any Notes not treated as grandfathered as discussed above if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) a Noteholder is a Recalcitrant Noteholder.

Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or an Irish tax authority. 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 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 the U.S.-Ireland IGA, 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 Notes.

RULE 17g-5 AND STS REGULATION COMPLIANCE

Rule 17g-5

The Issuer, in order to permit each Rating Agency to comply with its obligations under Rule 17g-5 promulgated under the Exchange Act ("**Rule 17g-5**"), has agreed to post (or have its agent post) on a password-protected internet website (the "**Rule 17g-5 Website**"), at the same time such information is provided to any Rating Agency, all information (which will not include any reports from the Issuer's independent public accountants) that the Issuer or other parties on its behalf, including the Trustee and the Portfolio Manager, provide to such Rating Agency for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes; provided, however, that prior to the occurrence of a Note Event of Default, without the prior written consent of the Portfolio Manager, no party other than the Issuer, the Trustee or the Portfolio Manager may provide information to any Rating Agency on the Issuer's behalf. On the Issue Date, the Issuer will engage Elavon Financial Services DAC, in accordance with the Portfolio Management Agreement, to assist the Issuer in complying with certain of the posting requirements under Rule 17g-5 (in such capacity, the "**Information Agent**"). Any notices or requests to, or any other written communications with or written information provided to, any of the Rating Agencies, or any of their respective officers, directors or employees, to be given or provided to such Rating Agencies pursuant to, in connection with or related, directly or indirectly, to the Trust Deed, the Portfolio Management Agreement, any Transaction Document relating thereto, the Portfolio or the Notes, will be in each case furnished directly to the applicable Rating Agency or Rating Agencies after a copy has been delivered to the Information Agent or the Issuer for posting to the Rule 17g-5 Website.

STS Regulation

If the STS Regulation comes into force, the Issuer has agreed to assume any costs of compliance and making amendments to the Transaction Documents. In such circumstances the Issuer will establish and maintain a website or will procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the STS Regulation.

CERTAIN ERISA CONSIDERATIONS

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 investments being made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in section 3(33) of ERISA) and non-U.S. plans (as defined 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 percent of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Portfolio Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "**Benefit Plan Investor**" means (1) an employee benefit plan (as defined in section 3(3) of ERISA), subject to the provisions of part 4 of Subtitle B of Title I of ERISA, (2) a plan to which section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan 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 exposure to liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes and Class D-R Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. The treatment of the Class X-R Notes, the Class A-R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in

the structure or financial condition of the Issuer. However, the characteristics of the Class E-R Notes, the Class F-R Notes and the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. The Class E-R Notes, the Class F-R Notes and the Subordinated Notes may be considered "equity interests" for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E-R Notes, Class F-R Notes and Subordinated Notes. In reliance on representations made by investors in the Class E-R Notes, the Class F-R Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E-R Notes, the Class F-R Notes and the Subordinated Notes to less than 25 per cent. of the Class E-R Notes, the Class F-R Notes and the Subordinated Notes (determined separately by class and in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed) at all times (excluding for purposes of such calculation Class E-R Notes, Class F-R Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E-R Note, Class F-R Note or a Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "*Transfer Restrictions*" below. No Class E-R Note, Class F-R Note or Subordinated Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the Class E-R Notes, Class F-R Notes or Subordinated Notes (determined separately by class and in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class E-R Note, Class F-R 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 the 25 per cent. limitation.

Even if the Class X-R Notes, Class A-R Notes, Class B-R Notes, Class C-R Notes and Class D-R Notes would not be treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Included among these exemptions are section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (relating to transactions between a person that is a Party in Interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class E-R exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes. 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 Placement Agent, the Portfolio Manager, or their respective Affiliates may be the sponsor of, or investment adviser with respect to one, or more Plans. Because such parties may receive certain benefits in connection with the sale of the Notes to such Plans, whether or not the Notes are treated as equity interests in the Issuer, the purchase of such Notes using the assets of a Plan over which any of such parties has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and/or section 4975 of the Code for which no exemption may be available. Accordingly, the Notes may not be acquired using the assets of any Plan if any of the Issuer, the Placement Agent, the Portfolio Manager or their respective affiliates has investment authority with respect to such assets (except to the extent (if any) that a favourable statutory or administrative exemption or exception applies).

It should be noted that an insurance company's general account may be deemed to include assets of Plans under certain circumstances, e.g., where a Plan purchases an annuity contract issued by such an insurance company, based on the reasoning of the United States Supreme Court in *John Hancock Mutual Life Ins. Co. v Harris Trust and Savings Bank*, 510 U.S. 86 (1993). An insurance company considering the purchase of Notes with assets of its general account should consider such purchase and

the insurance company's ability to make the representations described above in light of *John Hancock Mutual Life Ins. Co. v. Harris Trust and Savings Bank*, section 401(c) of ERISA and a regulation promulgated by the U.S. Department of Labor under that section of ERISA, 29 C.F.R. section 2550.401c 1.

Each purchaser and transferee of a Class X-R Note, Class A-R Note, Class B-R Note, Class C-R Note or Class D-R Note or any interest in such Note will be required or deemed to have represented, warranted and agreed that (i) either (A) it is not, 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 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 Note or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interests therein) to a transferee acquiring such Note (or interests therein) unless the transferee makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class E-R Note or Class F-R Note or have any interest in such Note, you will be required or deemed to represent, warrant and agree that (1) you are not, and are not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless you: (a) acquire such Class E-R Note or Class F-R Note on the Issue Date, (b) obtain the written consent of the Issuer, and (c) provide an ERISA certificate to the Issuer as to your status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); and (2) (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, and (b) if you are a governmental, church, non-U.S. or other plan, (i) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (ii) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law; and (3) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate you will be deemed to represent, warrant and agree that (i) you are not, and are not acting on behalf of, a Benefit Plan Investor or Controlling Person unless you receive the written consent of the Issuer, provide an ERISA certificate to the Issuer as to your status as a Benefit Plan Investor or Controlling Person and hold such Note in the form of a Definitive Certificate; 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 Similar Law and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (3) you will agree to certain transfer restrictions regarding your interest in such Note.

If you are a purchaser or transferee of a Subordinated Note in the form of a Definitive Certificate, you will be required to (i) represent and warrant in writing to the Issuer and the Trustee (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to Similar Law and (y) your acquisition, holding and disposition of

such Notes will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

No transfer of an interest in Class E-R Notes, Class F-R Notes or Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E-R Notes, Class F-R Notes or Subordinated Notes (determined separately by class and in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed).

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

J.P. Morgan Securities plc (in its capacity as placement agent, the "**Placement Agent**") has agreed with the Issuer, subject to the satisfaction of certain conditions, to facilitate the sale by the Issuer of each Class of Refinancing Notes (other than the Retention Notes) (the "**J.P. Morgan Placed Notes**") pursuant to the Placement Agency Agreement. The Placement Agency Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer.

The Placement Agent may offer the J.P. Morgan Placed Notes and the Issuer may offer the Retention Notes at prices as may be negotiated at the time of sale which may vary among different purchasers and which may be different to the issue price of the Refinancing Notes.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class are issued in the following principal amounts: Class X-R Notes: €2,000,000, Class A-R Notes: €174,900,000, Class B-R Notes: €39,200,000, Class C-R Notes: €21,000,000, Class D-R Notes: €14,600,000, Class E-R Notes: €18,600,000 and Class F-R Notes: €9,400,000.

The Issuer has agreed to indemnify the Placement Agent, the Portfolio Manager, the Collateral Administrator, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Debt Obligations may have been originally underwritten or placed by the Placement Agent or its Affiliates. In addition, the Placement Agent or its Affiliates may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Debt Obligations. In addition, the Placement Agent and its Affiliates may from time to time as a principal or through one or more investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Collateral Debt Obligations, with a result that one or more of such issuers may be or may become controlled by the Placement Agent or its Affiliates.

In addition, in the ordinary course of their business activities, the Placement Agent and its Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments (including the Refinancing Notes) of the Issuer. The Placement Agent and its Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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

No action has been or will be taken by the Issuer or the Placement Agent that would permit a public offering of the Refinancing Notes or possession or distribution of this Prospectus or any other offering material in relation to the Refinancing Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Refinancing Notes, or distribution of this Prospectus or any other offering material relating to the Refinancing 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 Placement Agent.

Selling Restrictions

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 (as defined in Regulation S) 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 Refinancing Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 each and integral multiples of €1,000 in excess thereof. 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 (or its broker-dealer Affiliates).

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 (as defined in Regulation S) 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 (as defined in Regulation S) or U.S. Resident.

This Prospectus 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 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 Prospectus does not constitute an offer to any person in the United States or to any U.S. person (as defined in Regulation S). Distribution of this Prospectus to any such U.S. person (as defined in Regulation S) 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 represented and agreed that:

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

The Placement Agent has also agreed to comply with the following selling restrictions:

- (a) ***European Economic Area:*** In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Placement Agent has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Refinancing Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Refinancing Notes to the public in that Relevant Member State at any time:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 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 Refinancing Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer of the Notes to the public' in relation to any Refinancing Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State).

(b) **Ireland:** The Placement Agent has represented and agreed that:

- (i) it will not underwrite the issue of, or place the Refinancing Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);
- (ii) it will not underwrite the issue of, or place, the Refinancing Notes, otherwise than in conformity with the provisions of the Companies Acts 2014 of Ireland, with the provisions of the Central Bank Acts 1942 to 2015 (as amended) and with any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Refinancing Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 and any rules and guidance issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014; and
- (iv) it will not underwrite the issue of, or place the Refinancing Notes, otherwise than in conformity with the provisions of the Prospectus Directive and any Central Bank rules issues and/or in force pursuant to Section 1363 of the Companies Act 2014;

(c) **Korea:** The Refinancing Notes may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale directly or indirectly, in Korea or to any resident of Korea ("**Korean Residents**") except pursuant to the applicable laws and regulations of South Korea, including the Financial Investment Services and Capital Markets Act ("**FSCMA**"), the Foreign Exchange Transaction Law ("**FETL**") and their subordinate decrees and regulations thereunder. The Refinancing Notes may not be re-sold to Korean Residents unless the purchaser of the Refinancing Notes complies with all applicable regulatory requirements for such purchase of Refinancing Notes (including but not limited to government approval or reporting requirements under the FETL and its subordinate decrees and regulations). The Refinancing Notes have not been offered or sold by way of public offering under the FSCMA, nor registered with the Financial Services Commission of Korea for public offering. None of the Refinancing Notes have been or will be listed on the Korea Exchange. In the case of a transfer of the Refinancing Notes to any person in Korea during a period ending one year from the issuance date, a holder of the Refinancing Notes may transfer the Refinancing Notes only by transferring its entire holdings of Refinancing Notes to only "accredited investors" in Korea as referred to in Article 11(1) of the Enforcement Decree of the FSCMA.

- (d) ***The Netherlands:*** The Refinancing Notes may not be offered, sold or delivered in The Netherlands to anyone other than qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended from time to time), that do not qualify as "public" (within the meaning of article 4(1) Capital Requirements Regulations (Regulation (EU) 575/2013) and the rules promulgated thereunder, as amended or any subsequent legislation replacing that regulation).
- (e) ***Singapore:*** This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Refinancing Notes may not be circulated or distributed, nor may the Refinancing Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 or Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.
- (f) ***Taiwan:*** No person or entity in Taiwan is authorised to distribute or otherwise intermediate the offering of the Refinancing Notes or the provision of information relating to the Refinancing Notes, including, but not limited to, this Prospectus. The Refinancing Notes may not be sold, offered or issued to Taiwan resident investors unless they are made available outside Taiwan for purchase by such investors outside Taiwan. Any subscriptions of Refinancing Notes shall only become effective upon acceptance by the Issuer or the relevant dealer outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or relevant dealer, as the case may be, unless otherwise specified in the subscription documents relating to the Refinancing Notes signed by the investors.

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.

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

Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented and agreed (or in the case of a Definitive Certificate, shall represent and agree) that such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser or transferee of Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and 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. If the purchaser acquires such Rule 144A Notes in the initial issuance of the Notes or during the Restricted Period, the purchaser (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence - U.S. Retention Rules*").
- (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) 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 or the U.S. Retention Rules. 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 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 Placement Agent, the Trustee, the Portfolio Manager, the Retention Holder or the Collateral Administrator is acting as a fiduciary (other than the Trustee) or financial or investment manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Placement Agent, the Trustee, the Portfolio Manager or the Collateral Administrator other than in this Prospectus for such Refinancing Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Placement Agent, the Trustee, the Portfolio Manager, the Retention Holder or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own 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 Portfolio Manager, the Retention Holder 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 X-R Note, Class A-R Note, Class B-R Note, Class C-R Note or Class D-R 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 Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Note (or interest therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes or is deemed to make the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.
- (b) (i) With respect to any Class E-R Note or Class F-R Note or any interest in such Note: (1) it is not, and is not acting on behalf of (and for so long as it holds such Note or any interest therein, it will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless such transferee: (x) acquires such Class E-R Note or Class F-R Note or interest therein on the Issue Date; (y) obtains the written consent of the Issuer; and (z) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B) and (2) (x) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (y) if it is a governmental, church, non-U.S. or other plan, (I) it is not, and for so long as it holds such Note or interest therein will not be, subject to any Similar Law and (II) its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law.
- (ii) With respect to the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of (and for so long as it holds such Notes or any interest therein, it will not be, and will not be acting on behalf of), a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provide an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and holds such Note in the form of a Definitive Certificate and (ii) (A) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if it is a

governmental, church, non-U.S. or other plan, (1) it is not, and for so long as it holds such Note or interest therein or interest therein will not be, subject to any Similar Law and (2) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt violation of any Other Plan Law.

- (iii) With respect to acquiring or holding a Subordinated Note in the form of a Definitive Certificate (i) (A) whether or not, for so long as it holds such Subordinated Note or interest herein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Subordinated Note or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Subordinated Note or interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church or non-U.S. plan, (x) it is not, and for so long as it holds such Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Subordinated Note or interest therein will not constitute or result in a non-exempt violation of any Other Plan Law, and (ii) that it will agree to certain transfer restrictions regarding its interest in such Subordinated Note.
- (iv) Any purported transfer of any Class E-R Notes, Class F-R Notes or Subordinated Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Class E-R Notes, Class F-R 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 Portfolio Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (7) In respect of a purchase or transfer of a PM Voting Note, or any interest in such Refinancing Note, the purchaser or transferee understands that such PM Voting Note carries a right to vote with respect to matters concerning the Portfolio Manager as set out in the Conditions and the Portfolio Management Agreement.
- (8) In respect of a purchase or transfer of a PM Non-Voting Exchangeable Note or PM Non-Voting Note, or any interest in such Refinancing Note, the purchaser or transferee understands that such PM Non-Voting Exchangeable Note or PM Non-Voting Note does not carry a right to vote with respect to matters concerning the Portfolio Manager as set out in the Conditions and the Portfolio Management Agreement.
- (9) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. persons (as defined in Regulation S) that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Trustee with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL ISSUANCE OF THE NOTES OR DURING THE 40-DAY "DISTRIBUTION COMPLIANCE PERIOD" AS DEFINED IN RULE 902 OF REGULATION S, BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE PORTFOLIO MANAGER AND THE PLACEMENT AGENT THAT IT (1) EITHER (A) IS

NOT A "U.S. PERSON" AS DEFINED UNDER SECTION __.20 OF THE JOINT FINAL RULE ("U.S. RETENTION RULES") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS RECEIVED THE WRITTEN CONSENT OF THE PORTFOLIO MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (2) IS NOT ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RETENTION RULES). ANY PURCHASE OR TRANSFER OF THE NOTES IN BREACH OF THIS REQUIREMENT WILL RESULT IN THE AFFECTED NOTES BECOMING SUBJECT TO FORCED TRANSFER PROVISIONS.

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) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE. TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO

TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X-R NOTES, CLASS A-R NOTES, CLASS B-R NOTES, CLASS C-R NOTES AND CLASS D-R NOTES ONLY] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING THIS NOTE (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE (OR INTEREST HEREIN) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E-R NOTES OR THE CLASS F-R NOTES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE ACQUIRES THIS NOTE ON THE ISSUE DATE, RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED

("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (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 ANY INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**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 ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E-R NOTE OR CLASS F-R NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E-R NOTES OR CLASS F-R NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E-R NOTES OR CLASS F-R NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E-R NOTE OR CLASS F-R NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E-R NOTE OR CLASS F-R NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS THIS 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 THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (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 ANY INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**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 ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS NOTE (OR INTEREST HEREIN) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS,

DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE ISSUER AND THE TRUSTEE (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS SUBORDINATED 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 SUBORDINATED NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**"). AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, A U.S. INTERNAL REVENUE SERVICE FORM W 9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W 8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS X-R NOTE, CLASS A-R NOTE, A CLASS B-R NOTE, A CLASS C-R NOTE, A CLASS D-R NOTE OR A CLASS E-R NOTE OR CLASS F-R NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS DEBT FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A SUBORDINATED NOTE REPRESENTED BY THIS CERTIFICATE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE NOTES IN THE FORM OF PM NON-VOTING NOTES OR PM NON-VOTING EXCHANGEABLE NOTES ONLY*] [EACH

PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT SUCH NOTE OR INTEREST HEREIN SHALL NOT CARRY ANY RIGHT TO VOTE IN RESPECT OF, OR BE COUNTED FOR THE PURPOSES OF DETERMINING A QUORUM AND THE RESULT OF VOTING ON A PM REMOVAL RESOLUTION OR A PM REPLACEMENT RESOLUTION.]

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

- (10) The purchaser will not, at any time, offer to buy or offer to sell the Refinancing Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.
- (11) Prospective purchasers are hereby notified that sellers of the Refinancing Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
- (12) Each holder and beneficial owner of a Rule 144A Note, by acceptance of its Rule 144A Note or its interest in a Refinancing Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Trustee or the Principal Paying Agent with the applicable U.S. federal income tax certifications (generally, a U.S. Internal Revenue Service Form W 9 (or successor applicable form) in the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Code or an appropriate U.S. Internal Revenue Service Form W 8 (or successor applicable form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code) may result in U.S. federal back up withholding from payments in respect of such Note.
- (13) With respect to the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser is not purchasing the Refinancing Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.
- (14) With respect to the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), either (x) such purchaser is not a bank extending credit pursuant to a loan agreement in the ordinary course of its lending business (within the meaning of Section 881(c)(3)(A) of the Code), (y) such purchaser is a person that is eligible for benefits under an income tax treaty with the United States that eliminates U.S. federal income taxation of U.S. source interest not attributable to a permanent establishment in the United States or (z) all payments received or to be received by such purchaser from the Issuer are effectively connected with the conduct by such purchaser of a trade or business within the United States.
- (15) The purchaser agrees to provide the Issuer and Trustee any information reasonably requested and necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee (or its agent) in order to permit the Issuer and Trustee to comply with Sections 1471-1474 of the Code (including any voluntary agreement entered into with a taxing authority thereunder) and any analogous non-U.S. law. It understands and acknowledges that the Issuer, Trustee or an agent may provide such information and any other information concerning its investment in the Refinancing Notes to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority.
- (16) The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (1) to compel any beneficial owner of an interest in the Refinancing Notes that fails to

comply with the requirements of clause (15) above, to sell its interest in such Refinancing Notes, or may sell such interest on behalf of such owner and (2) to make any amendments to the Trust Deed to enable the Issuer to comply with FATCA (or any voluntary agreement entered into with a taxing authority pursuant thereto). For these purposes, the Issuer may sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with applicable law described in clause (15) above.

- (17) The purchaser understands and acknowledges that the Issuer has the right, under the Conditions, to withhold up to 30 per cent. on all payments made to any beneficial owner of an interest in the Refinancing Notes that fails to comply with the requirements of clause (15) above.
- (18) No purchase or transfer of a Subordinated Note in the form of a Definitive Certificate will be recorded or otherwise recognized unless the purchaser or transferee has provided the Issuer with a certificate substantially in the form of Annex B hereto.
- (19) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Refinancing Notes, or may sell such interest in its Refinancing Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.

Regulation S Notes

Each purchaser or transferee of Regulation S Notes will be deemed to have made the representations (or in the case of a Definitive Certificate, shall make the representations) set forth in clauses (4), (6) through (8) and (10) through (17) (inclusive) above (except that references to Rule 144A Notes shall be deemed to be references to Regulation S Notes) and to have further represented and agreed as follows:

- (1) The purchaser is located outside the United States and is not a U.S. person (as defined in Regulation S). If the purchaser acquires such Regulation S Notes in the initial issuance of the Refinancing Notes or during the Restricted Period, the purchaser (1) either (a) is not a Risk Retention U.S. Person or (b) has received a U.S. Risk Retention Waiver from the Portfolio Manager, and (2) is not acquiring such Refinancing Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Retention Rules described in "*Risk Factors – Regulatory Initiatives – Risk Retention and Due Diligence - U.S. Retention Rules*").
- (2) The purchaser understands that the Refinancing 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 Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Refinancing Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Refinancing 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 (as defined in Regulation S) in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
- (3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Refinancing Notes will bear a legend set forth below.

EACH HOLDER OF A NOTE OR A BENEFICIAL INTEREST IN A NOTE ACQUIRED IN THE INITIAL ISSUANCE OF THE NOTES OR DURING THE 40-DAY "DISTRIBUTION COMPLIANCE PERIOD" AS DEFINED IN RULE 902 OF REGULATION S, BY ITS ACQUISITION OF A NOTE OR A BENEFICIAL INTEREST

THEREIN, WILL BE DEEMED TO REPRESENT TO THE ISSUER, THE TRUSTEE, THE PORTFOLIO MANAGER AND THE PLACEMENT AGENT THAT IT (1) EITHER (A) IS NOT A "U.S. PERSON" AS DEFINED UNDER SECTION __.20 OF THE JOINT FINAL RULE ("**U.S. RETENTION RULES**") TO IMPLEMENT THE CREDIT RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, OR (B) IT HAS RECEIVED THE WRITTEN CONSENT OF THE PORTFOLIO MANAGER TO ACQUIRE SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AND (2) IS NOT ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST IN SUCH NOTE AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-U.S. PERSON, RATHER THAN A U.S. PERSON (IN EACH CASE, AS DEFINED UNDER THE U.S. RETENTION RULES), AS PART OF A SCHEME TO EVADE THE 10 PER CENT. U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RETENTION RULES). ANY PURCHASE OR TRANSFER OF THE NOTES IN BREACH OF THIS REQUIREMENT WILL RESULT IN THE AFFECTED NOTES BECOMING SUBJECT TO FORCED TRANSFER PROVISIONS.

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) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS X-R NOTES, CLASS A-R NOTES, CLASS B-R NOTES, CLASS C-R NOTES AND CLASS D-R NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE REQUIRED OR DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTERESTS HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER THIS NOTE (OR INTEREST HEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTEREST HEREIN) UNLESS THE ACQUIROR MAKES OR IS DEEMED TO MAKE THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THIS NOTE (OR INTEREST HEREIN) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E-R NOTES OR CLASS F-R NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE ACQUIRES THIS NOTE ON THE ISSUE DATE, RECEIVES THE WRITTEN CONSENT OF THE ISSUER AND PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (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 ANY INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**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 ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS 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 THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A CLASS E-R NOTE OR CLASS F-R NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE CLASS E-R NOTES OR CLASS F-R NOTES (DETERMINED SEPARATELY BY CLASS) TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E-R NOTES OR CLASS F-R NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**") AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E-R NOTE OR CLASS F-R NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE CLASS E-R NOTE

OR CLASS F-R NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS THIS 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 THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS NOTE (OR INTEREST HEREIN) IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF THIS NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**"). AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER].

[LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY] [EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE ISSUER AND THE TRUSTEE (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR ANY INTEREST HEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (B) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR ANY INTEREST HEREIN, IT IS A CONTROLLING PERSON AND (C) THAT (1) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (a) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE OR ANY INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE PORTFOLIO MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (b) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS SUBORDINATED NOTE (OR INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**OTHER PLAN LAW**"). EACH PURCHASER OR SUBSEQUENT TRANSFEREE, AS APPLICABLE, OF SUBORDINATED NOTES WILL BE REQUIRED TO COMPLETE AN ERISA CERTIFICATE IDENTIFYING ITS STATUS AS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR THE PURPOSES OF ERISA TO INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN 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 THIS SUBORDINATED 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 SUBORDINATED NOTE TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**"). AS DETERMINED PURSUANT TO U.S. DEPARTMENT OF LABOR REGULATION SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER].

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE APPLICABLE U.S. FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, A U.S. INTERNAL REVENUE SERVICE FORM W 9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR AN APPLICABLE U.S. INTERNAL REVENUE SERVICE FORM W 8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THIS NOTE.

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A CLASS X-R NOTE, CLASS A-R NOTE, A CLASS B-R NOTE, A CLASS C-R NOTE, A CLASS D-R NOTE OR A CLASS E-R NOTE OR CLASS F-R NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS DEBT FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[EACH HOLDER AND EACH BENEFICIAL OWNER OF A SUBORDINATED NOTE REPRESENTED BY THIS CERTIFICATE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN SUCH NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY FOR U.S. FEDERAL INCOME TAX PURPOSES.]

[THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE

OBTAINED BY CONTACTING THE ISSUER AT 3RD FLOOR, KILMORE HOUSE, PARK LANE, SPENCER DOCK, DUBLIN 1, IRELAND.]

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

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

- (4) The purchaser acknowledges that the Issuer, the Placement Agent, the Retention Holder, the Trustee, the Portfolio Manager or the Collateral Administrator and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (5) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. persons (as defined in Regulation S) or U.S. Residents.

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

GENERAL INFORMATION

1. Clearing Systems

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

		Regulation S Notes		Rule 144A Notes	
		ISIN	Common Code	ISIN	Common Code
Class X-R Notes		XS1533922347	153392234	XS1533920721	153392072
Class A-R Notes	PM	XS1533920309	153392030	XS1533922008	153392200
Voting Notes					
Class A-R Notes	PM	XS1533919988	153391998	XS1533919632	153391963
Non-Voting Notes					
Class A-R Notes	PM	XS1533921703	153392170	XS1533921968	153392196
Non-Voting					
Exchangeable Notes					
Class B-R Notes	PM	XS1533921455	153392145	XS1533921612	153392161
Voting Notes					
Class B-R Notes	PM	XS1533919392	153391939	XS1533921026	153392102
Non-Voting Notes					
Class B-R Notes	PM	XS1533920648	153392064	XS1533920481	153392048
Non-Voting					
Exchangeable Notes					
Class C-R Notes	PM	XS1533918667	153391866	XS1533917420	153391742
Voting Notes					
Class C-R Notes	PM	XS1533920994	153392099	XS1533918402	153391840
Non-Voting Notes					
Class C-R Notes	PM	XS1533918238	153391823	XS1533918071	153391807
Non-Voting					
Exchangeable Notes					
Class D-R Notes	PM	XS1533917693	153391769	XS1533916539	153391653
Voting Notes					
Class D-R Notes	PM	XS1533916455	153391645	XS1533920218	153392021
Non-Voting Notes					
Class D-R Notes	PM	XS1533920051	153392005	XS1533919715	153391971
Non-Voting					
Exchangeable Notes					
Class E-R Notes		XS1533917263	153391726	XS1533916372	153391637
Class F-R Notes		XS1533919475	153391947	XS1533919129	153391912
Subordinated Notes*		XS0956905649	095690564	XS0956906886	095690688

* The Subordinated Notes were issued on the Original Issue Date and are not being offered pursuant to this Prospectus.

2. Listing

The admission to trading of the Refinancing Notes on the regulated market of the Irish Stock Exchange and the listing of the offered Notes on the Official List of the Irish Stock Exchange is expected to be on or about the Issue Date. The Subordinated Notes were admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange on or about 12 September 2013.

3. Consents and Authorisations

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

4. **No Significant or Material Change**

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last audited financial statements published on 31 December 2015.

5. **No Litigation**

The Issuer is not involved, and has not been involved, in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had since the date of its incorporation, a significant effect on the Issuer's financial position.

6. **Accounts**

Since the date of its incorporation, the Issuer has not commenced operations other than in respect of entering into the documentation in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

The Issuer's financial statements covering the financial years ended 31 December 2014 and 31 December 2015, together with the audited reports thereon, are incorporated into a form part of this Prospectus (see "*Documents Incorporated*" above).

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Registrar and Transfer Agent during normal business hours. The most recent financial statements of the Issuer are in respect of the period from incorporation to 31 December 2015. The annual accounts of the Issuer have been audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis that no Note Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.

7. **Documents Available**

Copies of the following documents may be inspected (and will be available for collection free of charge) in physical and/or electronic form at the specified offices of the Principal Paying Agent and at the registered offices of the Issuer during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes:

- (a) the currently effective Constitution of the Issuer;
- (b) the Trust Deed (which includes the form of each Note of each Class);
- (c) the Agency Agreement;
- (d) the Portfolio Management Agreement;
- (e) each Hedge Agreement;
- (f) each Monthly Report;
- (g) the Risk Retention Letter;
- (h) each Payment Date Report;
- (i) the Euroclear Pledge Agreement;
- (j) the Issuer Corporate Services Agreement; and
- (k) the audited financial statements of the Issuer published on 31 December 2014 and 31 December 2015.

Copies of the above documents will be available electronically.

8. **Enforceability of Judgments**

The Issuer is a company organised under the laws of Ireland. None of the directors of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon civil liability provisions of the securities laws of the United States or any State or territory within the United States.

9. **Expenses**

The total expenses related to the admission to trading on the Irish Stock Exchange will be approximately €8,241.20.

10. As at the date of this Prospectus, each of the Rating Agencies is established in the European Union and is registered under the CRA. As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA .

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ANNEX A
S&P RECOVERY RATES

- (a) (i) If a Collateral Debt Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

S&P Recovery Rating of Collateral Debt Obligation	Initial Rated Note Rating						
	Range from published reports	"AAA"	"AA"	"A"	"BBB"	"BB"	"B/CCC"
1+	100	75%	85%	88%	90%	92%	95%
1	90-99	65%	75%	80%	85%	90%	95%
2	80-89	60%	70%	75%	81%	86%	89%
2	70-79	50%	60%	66%	73%	79%	79%
3	60-69	40%	50%	56%	63%	67%	69%
3	50-59	30%	40%	46%	53%	59%	59%
4	40-49	27%	35%	42%	46%	48%	49%
4	30-39	20%	26%	33%	39%	39%	39%
5	20-29	15%	20%	24%	26%	28%	29%
5	10-19	5%	10%	15%	19%	19%	19%
6	0-9	2%	4%	6%	8%	9%	9%

S&P Recovery Rate

- (ii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Loan or Senior Secured Bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	0%	0%	0%	0%	0%	0%

Recovery Rate

For Obligors Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	0%	0%	0%	0%	0%	0%

Recovery Rate

For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	10%	12%	14%	16%	18%	20%
1	10%	12%	14%	16%	18%	20%
2	10%	12%	14%	16%	18%	20%
3	5%	7%	9%	10%	11%	12%
4	2%	2%	2%	2%	2%	2%
5	0%	0%	0%	0%	0%	0%
6	0%	0%	0%	0%	0%	0%

Recovery Rate

- (iii) If (x) a Collateral Debt Obligation does not have an S&P Recovery Rating and such Collateral Debt Obligation is not a Senior Secured Debt Instrument or an Unsecured Senior Loan and (y) the Obligor or issuer of such Collateral Debt Obligation has issued another debt instrument that is outstanding and senior to such Collateral Debt Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Debt Obligation shall be determined as follows:

For Obligors Domiciled in Groups A and B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	0%	0%	0%	0%	0%	0%
6	0%	0%	0%	0%	0%	0%

For Obligors Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

S&P Recovery Rate

- (b) If an S&P Recovery Rate cannot be determined using clause (a) above, the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B or C:

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans						
Group A	50%	55%	59%	63%	75%	79%
Group B	39%	42%	46%	49%	60%	63%
Group C	17%	19%	27%	29%	31%	34%
Senior Secured Loans that are S&P Cov-Lite Loans and Senior Secured Bonds						
Group A	41%	46%	49%	53%	63%	67%
Group B	32%	35%	39%	41%	50%	53%
Group C	17%	19%	27%	29%	31%	34%
Unsecured Senior Loans, Mezzanine Obligations, High Yield Bonds (if unsubordinated) and Second Lien Loans						
Group A	18%	20%	23%	26%	29%	31%

Group B	13%	16%	18%	21%	23%	25%
Group C	10%	12%	14%	16%	18%	20%

High Yield Bonds (if subordinated) or PIK Securities that are not (i) Senior Secured Loans, (ii) S&P Cov-Lite Loans that are Senior Secured Loans, (iii) Senior Secured Bonds, (iv) Unsecured Senior Loans, (v) High Yield Bonds (if unsubordinated), or (vi) Second Lien Loans

Group A	8%	8%	8%	8%	8%	8%
Group B	8%	8%	8%	8%	8%	8%
Group C	5%	5%	5%	5%	5%	5%

S&P Recovery Rate

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Afghanistan	93	5 - Asia: India, Pakistan and Afghanistan	C
Albania	355	16 - Europe: Eastern	C
Algeria	213	11 - Middle East: MENA	C
Andorra	376	102 - Europe: Western	C
Angola	244	13 - Africa: Sub-Saharan	C
Anguilla	1264	2 - Americas: Other Central and Caribbean	C
Antigua	1268	2 - Americas: Other Central and Caribbean	C
Argentina	54	4 - Americas: Mercosur and Southern Cone	C
Armenia	374	14 - Europe: Russia & CIS	C
Aruba	297	2 - Americas: Other Central and Caribbean	C
Ascension	247	12 - Africa: Southern	C
Australia	61	105 - Asia-Pacific: Australia and New Zealand	A
Austria	43	102 - Europe: Western	C
Azerbaijan	994	14 - Europe: Russia & CIS	C
Bahamas	1242	2 - Americas: Other Central and Caribbean	C
Bahrain	973	10 - Middle East: Gulf States	C
Bangladesh	880	6 - Asia: Other South	C
Barbados	246	2 - Americas: Other Central and Caribbean	C
Belarus	375	14 - Europe: Russia & CIS	C
Belgium	32	102 - Europe: Western	A
Belize	501	2 - Americas: Other Central and Caribbean	C
Benin	229	13 - Africa: Sub-Saharan	C
Bermuda	441	2 - Americas: Other Central and Caribbean	C
Bhutan	975	6 - Asia: Other South	C
Bolivia	591	3 - Americas: Andean	C
Bosnia and Herzegovina	387	16 - Europe: Eastern	C
Botswana	267	12 - Africa: Southern	C

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Brazil	55	4 - Americas: Mercosur and Southern Cone	B
British Virgin Islands	284	2 - Americas: Other Central and Caribbean	C
Brunei	673	8 - Asia: Southeast, Korea and Japan	C
Bulgaria	359	16 - Europe: Eastern	C
Burkina Faso	226	13 - Africa: Sub-Saharan	C
Burundi	257	13 - Africa: Sub-Saharan	C
Cambodia	855	8 - Asia: Southeast, Korea and Japan	C
Cameroon	237	13 - Africa: Sub-Saharan	C
Canada	2	101 - Americas: US and Canada	A
Cape Verde Islands	238	13 - Africa: Sub-Saharan	C
Cayman Islands	345	2 - Americas: Other Central and Caribbean	C
Central African Republic	236	13 - Africa: Sub-Saharan	C
Chad	235	13 - Africa: Sub-Saharan	C
Chile	56	4 - Americas: Mercosur and Southern Cone	C
China	86	7 - Asia: China, Hong Kong, Taiwan	C
Colombia	57	3 - Americas: Andean	C
Comoros	269	13 - Africa: Sub-Saharan	C
Congo-Brazzaville	242	13 - Africa: Sub-Saharan	C
Congo-Kinshasa	243	13 - Africa: Sub-Saharan	C
Cook Islands	682	105 - Asia-Pacific: Australia and New Zealand	C
Costa Rica	506	2 - Americas: Other Central and Caribbean	C
Cote d'Ivoire	225	13 - Africa: Sub-Saharan	C
Croatia	385	16 - Europe: Eastern	C
Cuba	53	2 - Americas: Other Central and Caribbean	C
Curacao	599	2 - Americas: Other Central and Caribbean	C
Cyprus	357	102 - Europe: Western	C
Czech Republic	420	15 - Europe: Central	C
Denmark	45	102 - Europe: Western	A
Djibouti	253	17 - Africa: Eastern	C
Dominica	767	2 - Americas: Other Central and Caribbean	C
Dominican Republic	809	2 - Americas: Other Central and Caribbean	C
East Timor	670	8 - Asia: Southeast, Korea and Japan	C

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Ecuador	593	3 - Americas: Andean	C
Egypt	20	11 - Middle East: MENA	C
El Salvador	503	2 - Americas: Other Central and Caribbean	C
Equatorial Guinea	240	13 - Africa: Sub-Saharan	C
Eritrea	291	17 - Africa: Eastern	C
Estonia	372	15 - Europe: Central	C
Ethiopia	251	17 - Africa: Eastern	C
Fiji	679	9 - Asia-Pacific: Islands	C
Finland	358	102 - Europe: Western	A
France	33	102 - Europe: Western	A
French Guiana	594	2 - Americas: Other Central and Caribbean	C
French Polynesia	689	9 - Asia-Pacific: Islands	C
Gabonese Republic	241	13 - Africa: Sub-Saharan	C
Gambia	220	13 - Africa: Sub-Saharan	C
Georgia	995	14 - Europe: Russia & CIS	C
Germany	49	102 - Europe: Western	A
Ghana	233	13 - Africa: Sub-Saharan	C
Greece	30	102 - Europe: Western	C
Grenada	473	2 - Americas: Other Central and Caribbean	C
Guadeloupe	590	2 - Americas: Other Central and Caribbean	C
Guatemala	502	2 - Americas: Other Central and Caribbean	C
Guinea	224	13 - Africa: Sub-Saharan	C
Guinea-Bissau	245	13 - Africa: Sub-Saharan	C
Guyana	592	2 - Americas: Other Central and Caribbean	C
Haiti	509	2 - Americas: Other Central and Caribbean	C
Honduras	504	2 - Americas: Other Central and Caribbean	C
Hong Kong	852	7 - Asia: China, Hong Kong, Taiwan	A
Hungary	36	15 - Europe: Central	C
Iceland	354	102 - Europe: Western	C
India	91	5 - Asia: India, Pakistan and Afghanistan	C
Indonesia	62	8 - Asia: Southeast, Korea and Japan	C
Iran	98	10 - Middle East: Gulf States	C
Iraq	964	10 - Middle East: Gulf States	C
Ireland	353	102 - Europe: Western	A

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Isle of Man	101	102 - Europe: Western	C
Israel	972	11 - Middle East: MENA	A
Italy	39	102 - Europe: Western	B
Jamaica	876	2 - Americas: Other Central and Caribbean	C
Japan	81	8 - Asia: Southeast, Korea and Japan	A
Jordan	962	11 - Middle East: MENA	C
Kazakhstan	8	14 - Europe: Russia & CIS	C
Kenya	254	17 - Africa: Eastern	C
Kiribati	686	9 - Asia-Pacific: Islands	C
Kosovo	383	16 - Europe: Eastern	C
Kuwait	965	10 - Middle East: Gulf States	C
Kyrgyzstan	996	14 - Europe: Russia & CIS	C
Laos	856	8 - Asia: Southeast, Korea and Japan	C
Latvia	371	15 - Europe: Central	C
Lebanon	961	11 - Middle East: MENA	C
Lesotho	266	12 - Africa: Southern	C
Liberia	231	13 - Africa: Sub-Saharan	C
Libya	218	11 - Middle East: MENA	C
Liechtenstein	102	102 - Europe: Western	C
Lithuania	370	15 - Europe: Central	C
Luxembourg	352	102 - Europe: Western	A
Macedonia	389	16 - Europe: Eastern	C
Madagascar	261	13 - Africa: Sub-Saharan	C
Malawi	265	13 - Africa: Sub-Saharan	C
Malaysia	60	8 - Asia: Southeast, Korea and Japan	C
Maldives	960	6 - Asia: Other South	C
Mali	223	13 - Africa: Sub-Saharan	C
Malta	356	102 - Europe: Western	C
Martinique	596	2 - Americas: Other Central and Caribbean	C
Mauritania	222	13 - Africa: Sub-Saharan	C
Mauritius	230	12 - Africa: Southern	C
Mexico	52	1 - Americas: Mexico	B
Micronesia	691	9 - Asia-Pacific: Islands	C
Moldova	373	14 - Europe: Russia & CIS	C
Monaco	377	102 - Europe: Western	C
Mongolia	976	14 - Europe: Russia & CIS	C

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Montenegro	382	16 - Europe: Eastern	C
Montserrat	664	2 - Americas: Other Central and Caribbean	C
Morocco	212	11 - Middle East: MENA	C
Mozambique	258	13 - Africa: Sub-Saharan	C
Myanmar	95	8 - Asia: Southeast, Korea and Japan	C
Namibia	264	12 - Africa: Southern	C
Nauru	674	9 - Asia-Pacific: Islands	C
Nepal	977	6 - Asia: Other South	C
Netherlands	31	102 - Europe: Western	A
New Caledonia	687	9 - Asia-Pacific: Islands	C
New Zealand	64	105 - Asia-Pacific: Australia and New Zealand	C
Nicaragua	505	2 - Americas: Other Central and Caribbean	C
Niger	227	13 - Africa: Sub-Saharan	C
Nigeria	234	13 - Africa: Sub-Saharan	C
North Korea	850	8 - Asia: Southeast, Korea and Japan	C
Norway	47	102 - Europe: Western	A
Oman	968	10 - Middle East: Gulf States	C
Pakistan	92	5 - Asia: India, Pakistan and Afghanistan	C
Palau	680	9 - Asia-Pacific: Islands	C
Palestinian Settlements	970	11 - Middle East: MENA	C
Panama	507	2 - Americas: Other Central and Caribbean	C
Papua New Guinea	675	9 - Asia-Pacific: Islands	C
Paraguay	595	4 - Americas: Mercosur and Southern Cone	C
Peru	51	3 - Americas: Andean	C
Philippines	63	8 - Asia: Southeast, Korea and Japan	C
Poland	48	15 - Europe: Central	C
Portugal	351	102 - Europe: Western	A
Qatar	974	10 - Middle East: Gulf States	C
Romania	40	16 - Europe: Eastern	C
Russia	7	14 - Europe: Russia & CIS	C
Rwanda	250	13 - Africa: Sub-Saharan	C
Samoa	685	9 - Asia-Pacific: Islands	C
Sao Tome & Principe	239	13 - Africa: Sub-Saharan	C
Saudi Arabia	966	10 - Middle East: Gulf States	C

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Senegal	221	13 - Africa: Sub-Saharan	C
Serbia	381	16 - Europe: Eastern	C
Seychelles	248	12 - Africa: Southern	C
Sierra Leone	232	13 - Africa: Sub-Saharan	C
Singapore	65	8 - Asia: Southeast, Korea and Japan	A
Slovak Republic	421	15 - Europe: Central	C
Slovenia	386	102 - Europe: Western	C
Solomon Islands	677	9 - Asia-Pacific: Islands	C
Somalia	252	17 - Africa: Eastern	C
South Africa	27	12 - Africa: Southern	B
South Korea	82	8 - Asia: Southeast, Korea and Japan	C
Spain	34	102 - Europe: Western	A
Sri Lanka	94	6 - Asia: Other South	C
St. Helena	290	12 - Africa: Southern	C
St. Kitts/Nevis	869	2 - Americas: Other Central and Caribbean	C
St. Lucia	758	2 - Americas: Other Central and Caribbean	C
St. Vincent & Grenadines	784	2 - Americas: Other Central and Caribbean	C
Sudan	249	17 - Africa: Eastern	C
Suriname	597	2 - Americas: Other Central and Caribbean	C
Swaziland	268	12 - Africa: Southern	C
Sweden	46	102 - Europe: Western	A
Switzerland	41	102 - Europe: Western	A
Syrian Arab Republic	963	11 - Middle East: MENA	C
Taiwan	886	7 - Asia: China, Hong Kong, Taiwan	C
Tajikistan	992	14 - Europe: Russia & CIS	C
Tanzania/Zanzibar	255	13 - Africa: Sub-Saharan	C
Thailand	66	8 - Asia: Southeast, Korea and Japan	C
Togo	228	13 - Africa: Sub-Saharan	C
Tonga	676	9 - Asia-Pacific: Islands	C
Trinidad & Tobago	868	2 - Americas: Other Central and Caribbean	C
Tunisia	216	11 - Middle East: MENA	C
Turkey	90	16 - Europe: Eastern	B

CDO Evaluator Country Codes, Regions and Recovery Groups			
Country Name	Country Code	Region	Recovery Group
Turkmenistan	993	14 - Europe: Russia & CIS	C
Turks & Caicos	649	2 - Americas: Other Central and Caribbean	C
Tuvalu	688	9 - Asia-Pacific: Islands	C
Uganda	256	13 - Africa: Sub-Saharan	C
Ukraine	380	14 - Europe: Russia & CIS	C
United Arab Emirates	971	10 - Middle East: Gulf States	B
United Kingdom	44	102 - Europe: Western	A
Uruguay	598	4 - Americas: Mercosur and Southern Cone	C
USA	1	101 - Americas: US and Canada	A
Uzbekistan	998	14 - Europe: Russia & CIS	C
Vanuatu	678	9 - Asia-Pacific: Islands	C
Venezuela	58	3 - Americas: Andean	C
Vietnam	84	8 - Asia: Southeast, Korea and Japan	C
Western Sahara	1212	11 - Middle East: MENA	C
Yemen	967	10 - Middle East: Gulf States	C
Zambia	260	13 - Africa: Sub-Saharan	C
Zimbabwe	263	13 - Africa: Sub-Saharan	C

For the purposes of the above,

"S&P Recovery Rating" means, in respect to a Collateral Debt Obligation for which an S&P Recovery Rate is being determined, the "Recovery Rating" assigned by S&P to such Collateral Debt Obligation based upon the tables set forth in this Annex B.

"S&P Cov-Lite Loan" means a Collateral Debt Obligation that is an interest in a loan, the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the Obligor thereunder to comply with any maintenance covenant (regardless of whether compliance with one or more incurrence covenants is otherwise required by such Underlying Instruments).

ANNEX B
FORM OF ERISA CERTIFICATE

The purpose of this ERISA Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the Class E-R Notes, the Class F-R Notes and the Subordinated Notes (determined separately by class) issued by Harvest CLO VII Designated Activity Company (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity (collectively, "**Benefit Plan Investors**"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Class E-R Notes, the Class F-R Notes and Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are representing and agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code.** We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets.** We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity and we and any such entity are not described in Question 3 below.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the total value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: _____per cent

AN ENTITY OR FUND THAT CANNOT PROVIDE THE FOREGOING PERCENTAGE HEREBY ACKNOWLEDGES THAT FOR PURPOSES OF DETERMINING WHETHER BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT. OF THE VALUE OF THE [CLASS E-R NOTES, THE CLASS F-R NOTES OR SUBORDINATED NOTES], 100 PER CENT. OF THE ASSETS OF THE ENTITY OR FUND WILL BE TREATED AS "PLAN ASSETS."

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account.** We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E-R Notes][Class F-R Notes][Subordinated Notes] with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" under Section 401(a) of ERISA for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____per cent. **IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.**

4. ☐ **None of Sections (1) Through (3) Above Apply.** We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) to (3) above. If, after the date hereof, any of the categories described in Sections (1) to (3) above would apply, we will promptly notify the Issuer of such change.
5. **No Prohibited Transaction.** If we checked any of the boxes in Sections (1) to (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E-R Notes][Class F-R Notes][Subordinated Notes] or an interest therein do not and will not constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.
6. **Not Subject to Similar Law and No Violation of Other Plan Law.** If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer and the Portfolio Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are 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 E-R Notes][Class F-R Notes][Subordinated Notes] or an interest therein do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.
7. ☐ **Controlling Person.** We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Portfolio Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the Class E-R Notes, the Class F-R Notes and the Subordinated Notes (determined separately by class), the Class E-R Notes, the Class F-R Notes and the Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

Compelled Disposition. We acknowledge and agree that:

- (i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 14 days after the date of such notice;
- (ii) if we fail to transfer our [Class E-R Notes][Class F-R Notes][Subordinated Notes], the Issuer shall have the right, without further notice to us, to sell our [Class E-R Notes][Class F-R Notes][Subordinated Notes] or our interest in the [Class E-R Notes][Class F-R Notes][Subordinated Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;
- (iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the [Class E-R Notes][Class F-R Notes][Subordinated Notes] and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

- (iv) by our acceptance of an interest in the [Class E-R Notes][Class F-R Notes][Subordinated Notes], we agree to such limitations and to cooperate with the Issuer to effect such transfers;
- (v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and
- (vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

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 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 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 Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

8. **Continuing Representation; Reliance.** We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the [Class E-R Notes][Class F-R Notes][Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the value of the Class E-R Notes, Class F-R Notes and Subordinated Notes (determined separately by class) upon any subsequent transfer of the [Class E-R Notes][Class F-R Notes][Subordinated Notes] in accordance with the Trust Deed.

9. **Further Acknowledgement and Agreement.** We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, J.P. Morgan Securities plc and the Portfolio Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, J.P. Morgan Securities plc, the Portfolio Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the [Class E-R Notes][Class F-R Notes][Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

10. **Future Transfer Requirements.**

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Subordinated Notes to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:

Harvest CLO VII Designated Activity Company, 3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:

Dated:

This Certificate relates to EUR_____ of [Class E-R Notes][Class F-R Notes][Subordinated Notes]

Based upon the representations and certifications contained herein, the Issuer by countersigning this certificate, hereby consents to the purchase by [Insert Purchaser's Name] of EUR _____ of [Class E-R Notes][Class F-R Notes][Subordinated Notes].

By:

Name:

Title:

Dated:

This Certificate relates to EUR_____ of [Class E-R Notes][Class F-R Notes][Subordinated Notes]

HARVEST CLO VII DESIGNATED ACTIVITY COMPANY

ANNEX C

ISSUE DATE PAYMENTS REPORT

THE ISSUE DATE PAYMENTS REPORT PREPARED AS OF 3 APRIL 2017 IS BEING PROVIDED BY THE ISSUER, IS INCORPORATED HEREIN AND WAS PREPARED THROUGH THE ISSUER'S AGENT, THE COLLATERAL ADMINISTRATOR (AND REVIEWED BY THE PORTFOLIO MANAGER), PURSUANT TO THE TERMS OF THE TRUST DEED AND PORTFOLIO MANAGEMENT AGREEMENT. THE ISSUE DATE PAYMENTS REPORT HAS NOT BEEN PREPARED, AUDITED OR OTHERWISE REVIEWED BY ANY ACCOUNTING FIRM, INDEPENDENT ACCOUNTANTS OR ANY OTHER THIRD PARTY, EITHER IN CONNECTION WITH THE OFFERING OF THE REFINANCING NOTES OR OTHERWISE AND IS BASED ON MATERIALS PROVIDED BY THE PORTFOLIO MANAGER AND OTHER THIRD PARTY SOURCES. NO OTHER INDEPENDENT THIRD-PARTY HAS REVIEWED, VERIFIED OR CONFIRMED THE INFORMATION SET FORTH THEREIN OR THE ASSUMPTIONS, INTERPRETATIONS OR CONCLUSIONS NECESSARY TO PREPARE THE ISSUE DATE PAYMENTS REPORT. THE PLACEMENT AGENT, THE PORTFOLIO MANAGER AND THE COLLATERAL ADMINISTRATOR ARE NOT RESPONSIBLE TO INVESTORS FOR, AND NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY THE PLACEMENT AGENT, THE COLLATERAL ADMINISTRATOR OR THE PORTFOLIO MANAGER OR ANY OTHER PARTY AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE ACCURACY OF SUCH INFORMATION.

HARVEST CLO VII DAC - IPD Report

APRIL 2017

Market Commentary

A mixed month as equities sold off initially before recovering to close out March higher despite softness on the last day of the month. Euro Stoxx 50 notably outperformed credit which saw a pause in the rally as secondary markets lost ground amid continued political worries, a pickup in primary supply, increased outflows from HY funds, and as spreads continued to tighten.

Although the macro backdrop and economic outlook remains largely unchanged, with eco data remain largely supportive, political headlines still very much in focus. In particular, concerns surrounding Trump growth policies and healthcare reform plans, the French elections, Brexit uncertainty with the UK finally invoking Article 50 triggering Brexit, plus key central bank announcements, all contributed to a slightly more unsettled tone as oil again moved lower with Brent crude dropping below \$50/bbl.

In terms of Central Bank action, the ECB held rates as expected early in the month, as Draghi defended the need to keep stimulus, suggesting that rates would stay low for an extended period and that downside economic risks were less pronounced albeit still slanted to the downside. The Fed meanwhile raised the target range for the federal funds rate by 25bp to 75-100bp, something the market had already priced in, signalling more confidence about the outlook for the economy and the hiking cycle with expectations now for three rate rises per year rather than four. Investors responded positively to the rate rise, markets firming before euphoria waned as political risk worries resurfaced.

Looking at the HY market and new issue activity saw a healthy increase with EUR13.1bn of new deals pricing in March and helping Q1 see the third-largest quarterly issuance volume ever, with EUR 25.9bn pricing in Q1 across 62 deals. Refinancing continues to account for the lion's share of issuance, with nearly two thirds from issuers rated BB, whilst net Q1 supply a more paltry EUR 6.4bn after a record EUR 19.5bn of redemptions. Secondary market performance was also fairly unspectacular with a number of issues trading down below re-offer as average bonds prices eased. The J.P. Morgan European Currency High Yield Index returned negative 13bp in March taking the YTD return to 1.56%. This compares to YTD return for the Euro Stoxx 50 of 7.07% after returning 5.39% for the month.

In the primary loan market, opportunistic refinancings, re-pricings, and recaps continued to dominate new issue supply with EUR 10.8bn of refinancing activity in contrast to just EUR 2.7bn of LBO and M&A activity in March. Spread compression has seen new issue margins tighten to 3.25% - 3.75% typically with some in the 275bp – 300bp range. However, secondary market prices slipped lower as a flood of aggressive re-pricings resulted in some investor push back, reduced investor appetite and increased selling in secondary with prices of many of the recently allocated deals left wrapped around par, perhaps indicated re-pricings have reached a floor for the moment. The J.P. Morgan European Leveraged Loan Index returned a negative 16bp in March, the YTD return falling to 1.20% whilst the ELLI lost 21bp in March, ending an eight-month run of positive returns. The weighted average bid for the index dropped 55bp to 98.86 as at the end of March compared to 99.41 at the end of February.

On the CLO front, March saw four new CLOs price, totalling EUR1.6bn with YTD new CLO issuance increasing to EUR 2.83bn from seven transactions. Re-sets and re-pricing activity has continued, and is expected to outweigh new deal issuance in the near term. For the whole of Q1, the market saw 12 reset and 19 CLO refinancings.

Portfolio Summary

This is the April Interest Payment Date Report for Harvest CLO VII DAC.

Payments being distributed to note holders are in respect of the six month period ending 3rd April 2017.

We are pleased to report that as at the Determination Date the fund remained in compliance with all Par Value Coverage and Collateral Quality tests and continues to meet all of its interest obligations.

However, it was failing three Collateral Quality tests, namely the Fitch Maximum Weighted Average Rating Factor (WARF) test, the Fitch Weighted Average Recovery Weighting (WARR) test and the Weighted Average Life (WAL) test. This is a result of the continued repayment of shorter-dated, higher rated and recovery score assets and a tightening of the WAL test.

The Par Value Test Adjusted Principal Amount stood at EUR 302.19m compared to a target par of EUR 300.00m and EUR 301.16m as at the last Interest Payment Date. The Class E Par Value test stood at 112.9% little changed from 112.8% last month and 113.0% on the last Interest Payment Date.

The Weighted Average Spread (WAS) across the portfolio was unchanged month on month at 4.64% and compares to 4.83% on the last Interest Payment Date, reflecting tighter primary market pricing as borrowers continue to undertake re-pricings and re-financings to lower their borrowing costs. The Weighted Average Fixed Rate Coupon improved slightly to 5.93% v. 5.90% last month, down from 6.12% on the last IPD.

Principal repayments totalling EUR 23,629,675.70 were received during the month, the larger repayments reflecting a combination of refinancings and re-pricings where the underlying maturity was extended and the fund unable to participate given WAL constraints.

A number of above par sales were also undertaken principally to take advantage of the strong bid for those names which were in the process of refinancing or extending maturities and in which the fund could not re-invest and would otherwise have been repaid at par. In addition, the decision was also taken to exit Fraikin (Financiere Truck Investissement), a CCC-rated asset which is currently going through what is likely to be protracted restructuring which could see some impairment of the debt and where future recovery is uncertain.

Proceeds from repayment and sales were partially re-invested in the secondary market, increasing exposure in a number of existing portfolio names.

The Fitch min. WARR worsened to 63.5% v. 65.0% last month and 67.8% on the last IPD, reflecting the repayment of higher recovery name, and compares to an Effective Date WARR of 74.1%. The Fitch max. WARF also worsened to 34.39% v. 33.86% last month and 33.73% on the last IPD and compares to an Effective Date WARF of 31.29% and similar reflects repayment of higher rated names rather than a deterioration in the credit rating of individual names.

Of the two rating changes since the last report both were upgrades and included Famar which is no longer in default after it completed its restructuring. As such there are now no Defaulted Obligations in the portfolio. The level of CCC-rated assets meanwhile reduced to 1.87% of ACB following the sale of Fraikin, (despite the inclusion of Famar), and includes CBR, Deoleo and a very small amount of Fat Face.

As at the Determination Date, cash balances stood at EUR 55,877,461.52 as a result of the wave of refinancing and repayments. The Portfolio Manager intends to re-deploy the proceeds from sales and repayments following this IPD and on an on-going basis continue to optimise the composition of the collateral pool through active portfolio management.

Reset

On 8th March 2017, Harvest CLO VII DAC undertook a reset of its rated notes. The reset is due to close on 12th April 2017 when existing notes will be redeemed and new notes issued.

The new structure will include a new EUR 2 million Class X note which will be repaid over 1 year as well as a new Class F note sized at EUR 9.4 million.

The deal will have a new 2 year Non-call period ending 12th April 2019 with its Re-investment period extended to 12th April 2021 and Stated Maturity to 12th April 2031. In addition, the fund will switch to quarterly Interest Payment Dates beginning 12th July 2017.

All Par Value Coverage, Collateral Quality and Portfolio Profile tests will also be reset.

Payment Date Distribution

On 12th April 2017, Harvest CLO VII DAC will pay all current and due interest on the debt tranches and will also pay interest to the subordinated note holders of EUR 3,686,558.61 equivalent to an annualised coupon of 17.36%, its highest annualised quarterly distribution to date.

In addition, Harvest CLO VII DAC will pay a special dividend to subordinated note holders of EUR 8,324,139.86.

The next Interest Payment Date is 12th July 2017.

Portfolio Movements

Significant par value movements 28th February 2017 - 3rd April 2017		Movement (EUR)
Purchases		-91,667
Sales		149,473
Fees		5,608
Famar out of default - net effect		662,676
Paydown on Pending Trades		1,604
Fraikin PIK Element		-289,858
Ineos Redemption Premium		28,760
Negative Interest		-8,176
Total		458,420

Business address:

Investcorp Credit Management EU Limited

48 Grosvenor Street

London W1K 3HW

We actively welcome feedback from investors and would encourage investors to contact the team should they have any questions or queries regarding any aspect of reporting or receipt of information. In order to ensure that the Portfolio Manager responds to all questions and queries in a timely manner please feel free to contact any of the individuals below by email or telephone. Alternatively please feel free to use the following dedicated email address:

cm-businessdevelopment@investcorp.com

Please refer to the official reports produced by the Trustee should any discrepancies exist between the information provided in this newsletter and the official reports produced by the Trustee.

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CDO Trust Services
www.usbank.com/cdo
Sarah Breslin

Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17
Prior Payment: 12-Oct-16

Payment Date Report

Electronic Reports

Issue ID: HARV1301
Payment Data File Name:
HARV1301_20170403_D_1.CSV Account Summary
HARV1301_20170403_D_2.CSV Transaction Detail
HARV1301_20170403_D_3.CSV Test History
HARV1301_20170403_D_4.CSV Asset Detail
HARV1301_20170403_SIFMA.XML SIFMA

Relevant Dates

Issue Date: 12-Sep-13
Effective Date: 06-Dec-13
First Payment Date: 14-Apr-14
Reinvestment Period End Date: 12-Oct-17

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Contact Information

Issuer: Harvest CLO VII DAC - HARV1301
Portfolio Manager: Investcorp Credit Management EU Limited
Rated By: Standard & Poor's Ratings Services/Fitch Ratings Limited

Information is available from the following sources

U.S. Bank Web Site

www.usbank.com/cdo



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
www.usbank.com/cdo

Summary

Note Information

Note	Original Coupon	Original Balance	Current Balance	Expected Interest Payment	Index	Coupon	Fitch		S&P	
							Orig	Curr	Orig	Curr
Class A Notes	1.72600%	177,000,000.00	177,000,000.00	1,026,600.00	-0.20300%	1.14700%	AAA	AAA	AAA	AAA
Class B Notes	2.12600%	34,000,000.00	34,000,000.00	265,880.00	-0.20300%	1.54700%	AA+	AA+	AA+	AA+
Class C Notes	3.17600%	20,000,000.00	20,000,000.00	262,600.00	-0.20300%	2.59700%	A	A	A	A
Class D Notes	4.07600%	13,600,000.00	13,600,000.00	240,448.00	-0.20300%	3.49700%	BBB+	BBB+	BBB	BBB
Class E Notes	5.87600%	23,000,000.00	23,000,000.00	615,940.00	-0.20300%	5.29700%	BB	BB	BB	BB
Subordinated Notes	N/A	42,000,000.00	42,000,000.00	N/A	N/A	N/A	NR	NR	NR	NR
Totals:		309,600,000.00	309,600,000.00	2,411,468.00						

Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Senior Secured Loan	88	194,005,596.06	100	226,780,490.28
Senior Secured Bond	22	48,722,281.24	23	51,722,281.24
Unsecured Senior Obligation	2	2,027,000.00	3	4,027,000.00
Second Lien Loan	4	1,559,563.70	4	1,559,563.70
Mezzanine Obligation	-	-	-	-
High Yield Bond	-	-	-	-
Warrants	-	-	-	-
Common Stock	-	-	-	-
Totals:	116	246,314,441.00	130	284,089,335.23

Test Summary

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	7	3	0
Portfolio Profile	24	0	0
Totals:	40	3	0

Account Balances and Eligible Investments

Account	Current	Prior
Balance in Blackrock MMF - Principal Account	-	3,439,090.84
Balance in HSBC MMF Principal Account	-	3,439,181.03
Balance in Morgan Stanley MMF - Principal Account	-	3,439,064.14
Balance in Principal Account	55,877,461.52	7,937,568.63
Balance in Unused Proceeds Account	-	-
Totals:	55,877,461.52	18,254,904.64

CDO Trust Services
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Account Summary

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Asset Swap Termination Receipt Account	0.00	0.00	0.00	0.00
Blackrock MMF - Interest Account	1,070,685.92	304,467.92	1,375,153.84	0.00
Blackrock MMF - Principal Account	3,439,090.84	1,887,172.40	5,326,263.24	0.00
Collateral Enhancement Account	0.00	0.00	0.00	0.00
Counterparty Downgrade Account	0.00	0.00	0.00	0.00
Custody Account	0.00	0.00	0.00	0.00
Expense Reserve Account	0.00	0.00	0.00	0.00
HSBC MMF Interest Account	1,070,744.02	304,378.77	1,375,122.79	0.00
HSBC MMF Principal Account	3,439,181.03	1,886,963.44	5,326,144.47	0.00
Interest Account	1,895,601.03	6,130,044.26	938,127.40	7,087,517.89
Interest Rate Hedge Account	0.00	0.00	0.00	0.00
Interest Reserve Account	0.00	0.00	0.00	0.00
Morgan Stanley MMF - Interest Account	1,070,661.71	304,499.99	1,375,161.70	0.00
Morgan Stanley MMF - Principal Account	3,439,064.14	1,887,229.10	5,326,293.24	0.00
Payment Account	0.00	0.00	0.00	0.00
Principal Account	9,971,686.58	41,630,657.74	9,674,964.94	41,927,379.38
Revolving Reserve Account	0.00	0.00	0.00	0.00
Unused Proceeds Account	0.00	0.00	0.00	0.00



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17

CDO Trust Services
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Current Euribor: -0.203000%

Next Euribor: 0.000000 %

Distribution Summary

Note ISIN	Original Face Value Per €1000	Opening Balance % of Orig Bal Per €1000	Principal Payment Per €1000	Principal Adj. or Loss Per €1000	Closing Balance % of Orig Bal Per €1000	Accrued Interest Due Per €1000	Repayment of Deferred Interest Per €1000	Total Interest Payment Per €1000	Interest Rate Curr/Next
Class A Notes XS0956904162	177,000,000.00	177,000,000.00 1000.000000000 100.00%	177,000,000.00 1000.000000000	- -	- -	1,026,600.00 5.800000000	- -	1,026,600.00 5.800000000	1.147000000000% 1.350000000000%
Class B Notes XS0956904758	34,000,000.00	34,000,000.00 1000.000000000 100.00%	34,000,000.00 1000.000000000	- -	- -	265,880.00 7.820000000	- -	265,880.00 7.820000000	1.547000000000% 1.750000000000%
Class C Notes XS0956904915	20,000,000.00	20,000,000.00 1000.000000000 100.00%	20,000,000.00 1000.000000000	- -	- -	262,600.00 13.130000000	- -	262,600.00 13.130000000	2.597000000000% 2.800000000000%
Class D Notes XS0956905482	13,600,000.00	13,600,000.00 1000.000000000 100.00%	13,600,000.00 1000.000000000	- -	- -	240,448.00 17.680000000	- -	240,448.00 17.680000000	3.497000000000% 3.700000000000%
Class E Notes XS0956905565	23,000,000.00	23,000,000.00 1000.000000000 100.00%	23,000,000.00 1000.000000000	- -	- -	615,940.00 26.780000000	- -	615,940.00 26.780000000	5.297000000000% 5.500000000000%
Subordinated Notes XS0956905649	42,000,000.00	42,000,000.00 1000.000000000 100.00%	- -	- -	42,000,000.00 1000.000000000 100.00%	- -	- -	12,010,698.48 285.969011429	- -

Totals:	309,600,000.00	309,600,000.00	267,600,000.00	0.00	42,000,000.00	2,411,468.00	0.00	14,422,166.48	
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Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
www.usbank.com/cdo

Distribution Detail - Post Acceleration

Priority	Name	Amount
Available Proceeds:		327,022,697.27
(A)(i)	Payment of taxes owing by the Issuer	26,683.16
(A)(ii)	Payment of amounts equal to the minimum profit to be retained by the Issuer for Irish tax purposes	500.00
(B)	Payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap	37,360.70
(C)	Payment of Administrative Expenses, up to an amount equal to the Senior Expenses Cap	146,197.91
(D)(i)	Payment on a pro rata basis of any Scheduled Periodic Interest Rate Hedge Issuer Payments	-
(D)(ii)	Payment on a pro rata basis of any Scheduled Periodic Asset Swap Issuer Payments	-
(D)(iii)	Payment on a pro rata basis of any Hedge Issuer Termination Payments	-
(E)(i)	Payment of any Senior Portfolio Management Fee due but not paid on any prior Payment Date	-
(E)(ii)	Payment of value added tax in respect of the amount in (D)(i)	-
(E)(iii)	Payment of the Senior Portfolio Management Fee due and payable on the current Payment Date	153,605.22
(E)(iv)	Payment of value added tax in respect of the amount in (D)(iii)	-
(F)	Interest Amounts due and payable on the Class A Notes	1,026,600.00
(G)	Redemption of Class A Notes	177,000,000.00
(H)	Interest Amounts due and payable on the Class B Notes	265,880.00
(I)	Redemption of Class B Notes	34,000,000.00
(J)	Interest Amounts due and payable on the Class C Notes (including any interest on Deferred Interest)	262,600.00
(K)	Deferred Interest on the Class C Notes	-
(L)	Redemption of Class C Notes	20,000,000.00
(M)	Interest Amounts due and payable on the Class D Notes (including any interest on Deferred Interest)	240,448.00
(N)	Deferred Interest on the Class D Notes	-
(O)	Redemption of Class D Notes	13,600,000.00
(P)	Interest Amounts due and payable on the Class E Notes (including any interest on Deferred Interest)	615,940.00
(Q)	Deferred Interest on the Class E Notes	-
(R)	Redemption of Class E Notes	23,000,000.00
(S)	Payment of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap	2,048,523.42
(T)	Payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap	-
(U)(1)(i)	Payment of the Subordinated Portfolio Management Fee due and payable on the current Payment Date	614,420.86
(U)(1)(ii)	Payment of value added tax in respect of the amount in (U)(1)(i)	-
(U)(2)(i)	Payment of any Subordinated Portfolio Management Fee due but not paid on any prior Payment Date	-
(U)(2)(ii)	Payment of value added tax in respect of the amount in (U)(2)(i)	-
(U)(3)	Repayment of any Portfolio Manager Advances (including any accrued interest thereon)	-
(V)(i)	Payment on a pro rata basis of any Defaulted Interest Rate Hedge Issuer Termination Payments	-
(V)(ii)	Payment on a pro rata basis of any Defaulted Asset Swap Issuer Termination Payments	-
(W)(1)	Until the IRR Threshold is reached, any remaining Interest and Principal Proceeds to the payment on the Subordinated Notes	12,010,698.48
(W)(2)(a)	Once the IRR Threshold is reached, 20 per cent. of any remaining Interest and Principal Proceeds to the payment of the Incentive Management Fee	-
(W)(2)(b)	Once the IRR Threshold is reached, 80 per cent. of any remaining Interest and Principal Proceeds to the payment of interest on the Subordinated Notes	-
Total:		285,049,457.75
Ending Proceeds after the Payment Date:		41,973,239.52

The Ending Proceeds amount of EUR 41,973,239.52 is designated for reinvestment and has been transferred to the Principal Account following the Refinancing Date.



CDO Trust Services
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Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17

Administrative Expenses Detail

Name	Description	Amount Paid
EY		4,500.00
Fitch Ratings		40,000.00
Investcorp		8,241.20
Markit		42,277.50
S&P		40,336.00
SCP		1,175.62
Studio Legale		728.00
TMF		2,240.81
US Bank		1,733.37
US Bank Negative Interest Charge		15,688.83
Total:		156,921.33



Portfolio Profile Tests Summary

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	(a) Senior Secured Loans and Senior Secured Bonds	98.24%	98.15%	98.81%	90.00%	Minimum	Pass
2	(b) Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds	1.76%	1.85%	1.19%	10.00%	Maximum	Pass
3	(c) Single Obligor Concentration of Senior Secured Loans and Senior Secured Bonds	2.33%	2.32%	2.31%	2.50%	Maximum	Pass
4	(d) Single Obligor Concentration of Unsecured Senior Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds	0.78%	0.66%	0.43%	1.50%	Maximum	Pass
5	(e) Participations	-	-	-	5.00%	Maximum	Pass
6	(f) Current Pay Obligations	-	-	-	5.00%	Maximum	Pass
7	(g) Annual Obligations	-	0.56%	0.55%	5.00%	Maximum	Pass
8	(h) Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations	-	-	-	5.00%	Maximum	Pass
9	(i) S&P CCC Obligations	-	0.04%	0.39%	7.50%	Maximum	Pass
10	(j) Fitch CCC Obligations	-	2.21%	1.87%	7.50%	Maximum	Pass
11	(k) Unhedged Fixed Rate Collateral Debt Obligations	2.60%	3.93%	3.25%	10.00%	Maximum	Pass
12	(l) Non-Euro Obligations	4.00%	7.19%	7.16%	30.00%	Maximum	Pass
13	(m) Bridge Loans	-	-	-	2.50%	Maximum	Pass
14	(n)(i) Corporate Rescue Loans	-	-	-	5.00%	Maximum	Pass
15	(n)(ii) Single Obligor Concentration of Corporate Rescue Loans	-	-	-	2.00%	Maximum	Pass
16	(o) Cov-Lite Loans	9.05%	3.65%	1.88%	20.00%	Maximum	Pass
17	(p) PIK Securities	-	1.38%	1.38%	5.00%	Maximum	Pass
18	(q)(i) S&P Industry Concentration (Largest Industry)	13.30%	10.85%	8.83%	15.00%	Maximum	Pass
19	(q)(ii) S&P Industry Concentration (Second Largest Industry)	10.79%	9.78%	8.25%	12.00%	Maximum	Pass
20	(q)(iii) S&P Industry Concentration (Fourth Largest Industry)	7.56%	4.80%	4.06%	10.00%	Maximum	Pass
21	(r) Collateral Debt Obligations whose S&P Rating is derived from a Moody's Rating	-	-	-	10.00%	Maximum	Pass
22	(s) Obligors who are Domiciled in countries or jurisdiction rated below "A-" by Fitch or S&P	5.84%	8.97%	8.94%	10.00%	Maximum	Pass
23	(t)(i) Individual Third Party Credit Exposure to a Selling Institution rated "A-" or below by Fitch or S&P	-	-	-	0.00%	Maximum	Pass
24	(t)(ii) Aggregate Third Party Credit Exposure to Selling Institutions rated "A-" or below by Fitch or S&P	-	-	-	0.00%	Maximum	Pass



Coverage and Collateral Quality Tests Summary

Coverage Tests

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Par Value Test	142.5%	143.0%	143.2%	132.2%	Minimum	Pass
2	Class C Par Value Test	130.2%	130.6%	130.8%	122.9%	Minimum	Pass
3	Class D Par Value Test	122.9%	123.4%	123.5%	116.6%	Minimum	Pass
4	Class E Par Value Test	112.4%	112.8%	112.9%	107.1%	Minimum	Pass
5	Additional Reinvestment Test	112.4%	112.8%	112.9%	108.1%	Minimum	Pass
6	Class A/B Interest Coverage Test	274.3%	489.7%	520.2%	120.0%	Minimum	Pass
7	Class C Interest Coverage Test	234.8%	407.0%	432.3%	115.0%	Minimum	Pass
8	Class D Interest Coverage Test	208.6%	352.5%	374.4%	110.0%	Minimum	Pass
9	Class E Interest Coverage Test	164.0%	262.5%	278.8%	105.0%	Minimum	Pass

Collateral Quality Tests

Test Number	Description	Effective Date	Prior	Current	Trigger	Max / Min	Result
1	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***					
2	S&P Minimum Weighted Average Recovery Rate Test - Class A Notes	38.3%	34.8%	34.3%	33.5%	Minimum	Pass
3	S&P Minimum Weighted Average Recovery Rate Test - Class B Notes	46.4%	43.5%	43.0%	42.5%	Minimum	Pass
4	S&P Minimum Weighted Average Recovery Rate Test - Class C Notes	51.9%	49.3%	48.9%	47.5%	Minimum	Pass
5	S&P Minimum Weighted Average Recovery Rate Test - Class D Notes	57.9%	55.3%	54.9%	53.0%	Minimum	Pass
6	S&P Minimum Weighted Average Recovery Rate Test - Class E Notes	64.9%	60.0%	59.5%	59.0%	Minimum	Pass
7	Fitch Maximum Weighted Average Rating Factor Test	31.29	33.86	34.39	34.00	Maximum	Fail
8	Fitch Minimum Weighted Average Recovery Rate Test	74.1%	65.0%	63.5%	66.6%	Minimum	Fail
9	Minimum Weighted Average Spread Test	4.50%	4.64%	4.64%	4.50%	Minimum	Pass
10	Minimum Weighted Average Fixed Coupon Test	5.73%	5.90%	5.93%	5.00%	Minimum	Pass
11	Weighted Average Life Test	5.10	4.16	4.18	4.03	Maximum	Fail



Harvest CLO VII DAC

As Of:
Current Payment:

03-Apr-17
12-Apr-17

CDO Trust Services
www.usbank.com/cdo

Par Value Tests Detail

	Calculation	Ratio	Minimum	Result
Class A/B Par Value Test	A / (B+C)	143.2%	132.2%	Pass
Class C Par Value Test	A / (B+C+D)	130.8%	122.9%	Pass
Class D Par Value Test	A / (B+C+D+E)	123.5%	116.6%	Pass
Class E Par Value Test	A / (B+C+D+E+F)	112.9%	107.1%	Pass
Additional Reinvestment Test	A / (B+C+D+E+F)	112.9%	108.1%	Pass

Collateral:

Aggregate Principal Balance of Collateral Debt Obligations	246,314,441.00	246,314,441.00
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Minus:

Principal Balance of Defaulted Obligations	0.00	
Principal Balance of Deferring Securities	0.00	
		0.00

Plus:

Calculation Amount of Defaulted Obligations	0.00	
Calculation Amount of Deferring Securities	0.00	
		0.00

Plus:

Balance standing to the credit of the Principal Account	55,877,461.52	
Balance standing to the credit of the Unused Proceeds Account	0.00	
Eligible Investments which represent Principal Proceeds	0.00	
Unpaid accrued interest purchased with Principal Proceeds	0.00	
		55,877,461.52

Minus:

Discount Collateral Haircut	0.00	
CCC Excess Haircut	0.00	
		0.00

Par Value Test Adjusted Principal Amount: 302,191,902.52 (A)

Notes:

Principal Amount Outstanding of the Class A Notes	177,000,000.00 (B)
Principal Amount Outstanding of the Class B Notes	34,000,000.00 (C)
Principal Amount Outstanding of the Class C Notes	20,000,000.00 (D)
Principal Amount Outstanding of the Class D Notes	13,600,000.00 (E)
Principal Amount Outstanding of the Class E Notes	23,000,000.00 (F)



Harvest CLO VII DAC

As Of:
Current Payment:03-Apr-17
12-Apr-17CDO Trust Services
www.usbank.com/cdo

Interest Coverage Tests Detail

	Calculation	Ratio	Minimum	Result
Class A/B Interest Coverage Test	A / (B+C)	520.2%	120.0%	Pass
Class C Interest Coverage Test	A / (B+C+D)	432.3%	115.0%	Pass
Class D Interest Coverage Test	A / (B+C+D+E)	374.4%	110.0%	Pass
Class E Interest Coverage Test	A / (B+C+D+E+F)	278.8%	105.0%	Pass

Received:

Balance standing to the credit of the Interest Account	7,087,517.89	
Balance standing to the credit of the Interest Reserve Account	0.00	
Balance standing to the credit of the Expense Reserve Account	0.00	
		7,087,517.89

Projected:

Scheduled Interest Payments	0.00	
Scheduled Commitment Fees	0.00	
Projected Reinvestment Income on Collateral Debt Obligations	0.00	
Projected Reinvestment Income on Cash Accounts	0.00	
Purchased accrued Interest	0.00	
		0.00

Minus:

(A) Any taxes or statutory fees owed, and the Issuer Fee	27,183.16	
(B) Accrued and unpaid Trustee Fees and Expenses	37,360.70	
(C)(1) Accrued and unpaid Administrative Expenses	146,197.91	
(C)(2) Payment into the Expense Reserve Account	0.00	
(D) Senior Portfolio Management Fee	153,605.22	
(E) Scheduled Periodic Interest Rate Hedge and Asset Swap Issuer Payments	0.00	
		364,346.99

Minus:

Interest in respect of a Mezzanine Obligation or PIK Security that has been deferred	0.00	
		0.00

Plus:

Scheduled Periodic Interest Rate Hedge Counterparty Payments	0.00	
		0.00

Interest Coverage Amount: 6,723,170.90 (A)

Notes:

Interest payment due on the Class A Notes	1,026,600.00 (B)
Interest payment due on the Class B Notes	265,880.00 (C)
Interest payment due on the Class C Notes	262,600.00 (D)
Interest payment due on the Class D Notes	240,448.00 (E)
Interest payment due on the Class E Notes	615,940.00 (F)



S&P CDO Monitor

Portfolio Statistics

Number of Assets:	117
Number of Obligors:	92
Total Principal Balance of Collateral Debt Securities:	246,314,441.00
Weighted Average Maturity (in years):	4.22
Weighted Average Rating:	B+
S&P Default Measure (Annualized Expected Portfolio Default Rate):	5.050%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	3.790%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	2.02
Weighted Average Default Correlation:	

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Loss Differential	Test Results
Class A Notes	177,000,000.00	AAA		50.600%	67.453%	16.850%	PASS
Class B Notes	34,000,000.00	AA+		44.010%	63.901%	19.890%	PASS
Class C Notes	20,000,000.00	A		38.630%	58.066%	19.440%	PASS
Class D Notes	13,600,000.00	BBB		33.900%	53.534%	19.630%	PASS
Class E Notes	23,000,000.00	BB		28.240%	40.970%	12.730%	PASS



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17

CDO Trust Services
www.usbank.com/cdo

Coverage Tests History - Part I

Class A/B Par Value Test

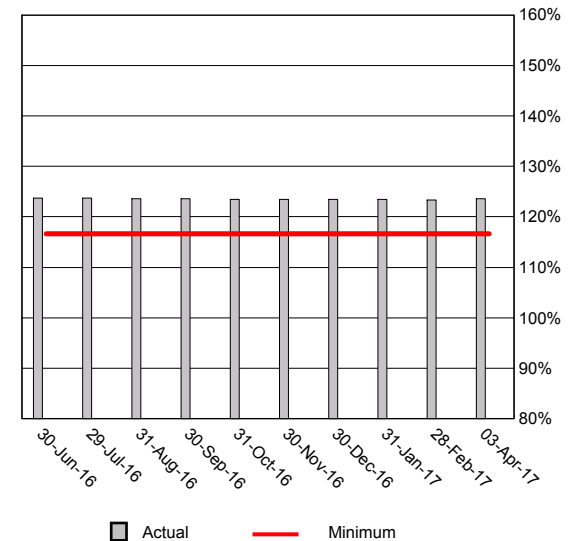
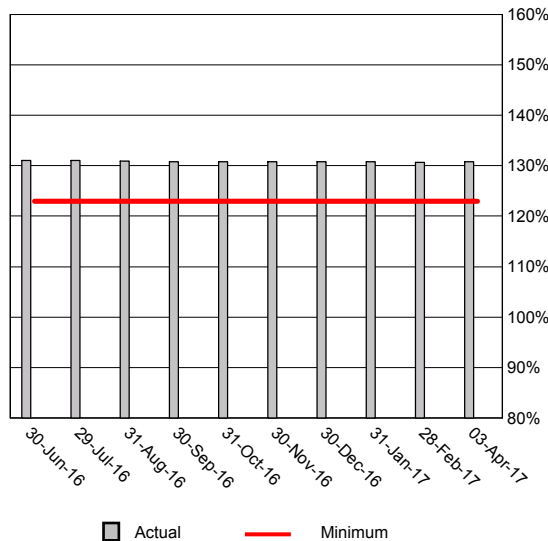
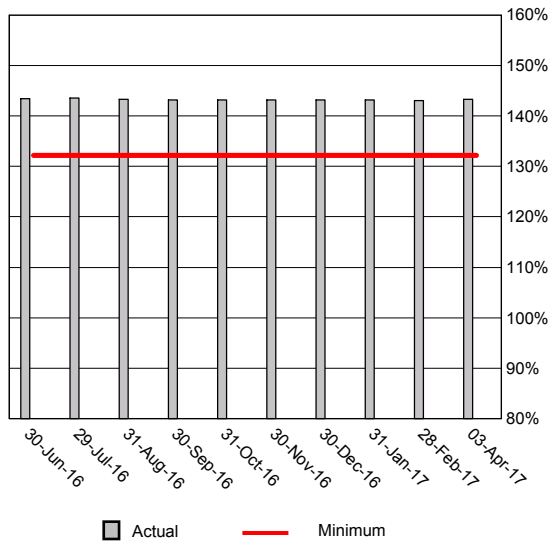
Period	Minimum	Actual	Spread	Result
03-Apr-17	132.2%	143.2%	11.0%	Pass
28-Feb-17	132.2%	143.0%	10.8%	Pass
31-Jan-17	132.2%	143.1%	10.9%	Pass
30-Dec-16	132.2%	143.1%	10.9%	Pass
30-Nov-16	132.2%	143.1%	10.9%	Pass
31-Oct-16	132.2%	143.2%	11.0%	Pass
30-Sep-16	132.2%	143.2%	11.0%	Pass
31-Aug-16	132.2%	143.3%	11.1%	Pass
29-Jul-16	132.2%	143.5%	11.3%	Pass
30-Jun-16	132.2%	143.4%	11.2%	Pass

Class C Par Value Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	122.9%	130.8%	7.9%	Pass
28-Feb-17	122.9%	130.6%	7.7%	Pass
31-Jan-17	122.9%	130.7%	7.8%	Pass
30-Dec-16	122.9%	130.7%	7.8%	Pass
30-Nov-16	122.9%	130.7%	7.8%	Pass
31-Oct-16	122.9%	130.8%	7.9%	Pass
30-Sep-16	122.9%	130.8%	7.9%	Pass
31-Aug-16	122.9%	130.9%	8.0%	Pass
29-Jul-16	122.9%	131.0%	8.1%	Pass
30-Jun-16	122.9%	131.0%	8.1%	Pass

Class D Par Value Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	116.6%	123.5%	6.9%	Pass
28-Feb-17	116.6%	123.4%	6.8%	Pass
31-Jan-17	116.6%	123.5%	6.9%	Pass
30-Dec-16	116.6%	123.5%	6.9%	Pass
30-Nov-16	116.6%	123.5%	6.9%	Pass
31-Oct-16	116.6%	123.5%	6.9%	Pass
30-Sep-16	116.6%	123.5%	6.9%	Pass
31-Aug-16	116.6%	123.6%	7.0%	Pass
29-Jul-16	116.6%	123.8%	7.2%	Pass
30-Jun-16	116.6%	123.7%	7.1%	Pass



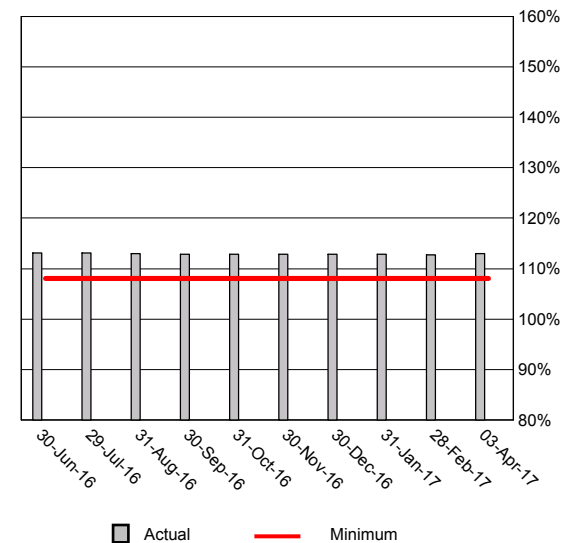
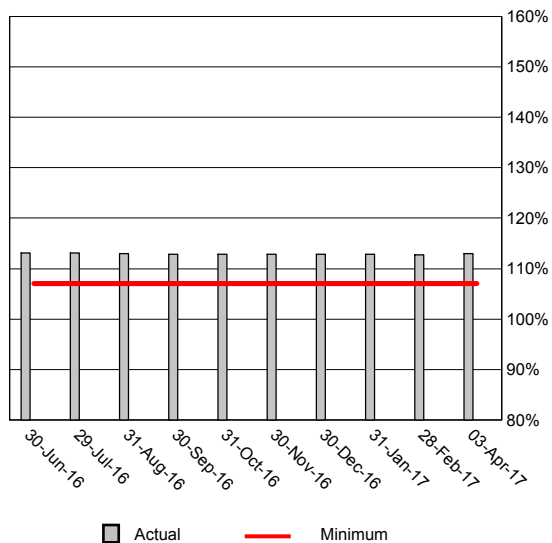
Coverage Tests History - Part II

Class E Par Value Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	107.1%	112.9%	5.8%	Pass
28-Feb-17	107.1%	112.8%	5.7%	Pass
31-Jan-17	107.1%	112.9%	5.8%	Pass
30-Dec-16	107.1%	112.9%	5.8%	Pass
30-Nov-16	107.1%	112.9%	5.8%	Pass
31-Oct-16	107.1%	112.9%	5.8%	Pass
30-Sep-16	107.1%	112.9%	5.8%	Pass
31-Aug-16	107.1%	113.0%	5.9%	Pass
29-Jul-16	107.1%	113.1%	6.0%	Pass
30-Jun-16	107.1%	113.1%	6.0%	Pass

Additional Reinvestment Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	108.1%	112.9%	4.8%	Pass
28-Feb-17	108.1%	112.8%	4.7%	Pass
31-Jan-17	108.1%	112.9%	4.8%	Pass
30-Dec-16	108.1%	112.9%	4.8%	Pass
30-Nov-16	108.1%	112.9%	4.8%	Pass
31-Oct-16	108.1%	112.9%	4.8%	Pass
30-Sep-16	108.1%	112.9%	4.8%	Pass
31-Aug-16	108.1%	113.0%	4.9%	Pass
29-Jul-16	108.1%	113.1%	5.0%	Pass
30-Jun-16	108.1%	113.1%	5.0%	Pass



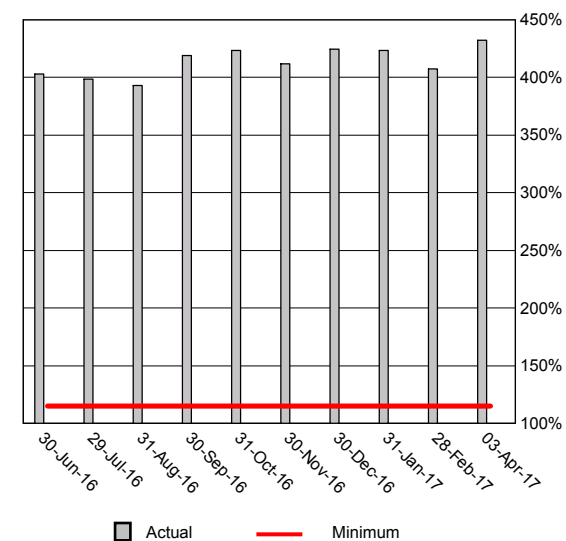
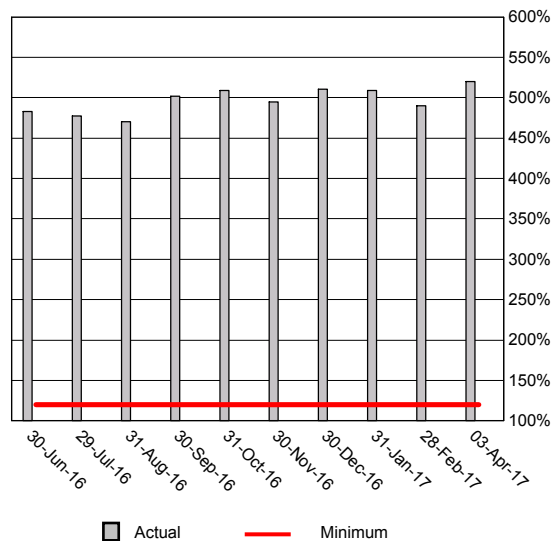
Coverage Tests History - Part III

Class A/B Interest Coverage Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	120.0%	520.2%	400.2%	Pass
28-Feb-17	120.0%	489.7%	369.7%	Pass
31-Jan-17	120.0%	508.9%	388.9%	Pass
30-Dec-16	120.0%	510.3%	390.3%	Pass
30-Nov-16	120.0%	494.9%	374.9%	Pass
31-Oct-16	120.0%	509.1%	389.1%	Pass
30-Sep-16	120.0%	501.4%	381.4%	Pass
31-Aug-16	120.0%	470.1%	350.1%	Pass
29-Jul-16	120.0%	477.3%	357.3%	Pass
30-Jun-16	120.0%	482.6%	362.6%	Pass

Class C Interest Coverage Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	115.0%	432.3%	317.3%	Pass
28-Feb-17	115.0%	407.0%	292.0%	Pass
31-Jan-17	115.0%	423.0%	308.0%	Pass
30-Dec-16	115.0%	424.1%	309.1%	Pass
30-Nov-16	115.0%	411.4%	296.4%	Pass
31-Oct-16	115.0%	423.1%	308.1%	Pass
30-Sep-16	115.0%	418.8%	303.8%	Pass
31-Aug-16	115.0%	392.6%	277.6%	Pass
29-Jul-16	115.0%	398.6%	283.6%	Pass
30-Jun-16	115.0%	403.0%	288.0%	Pass



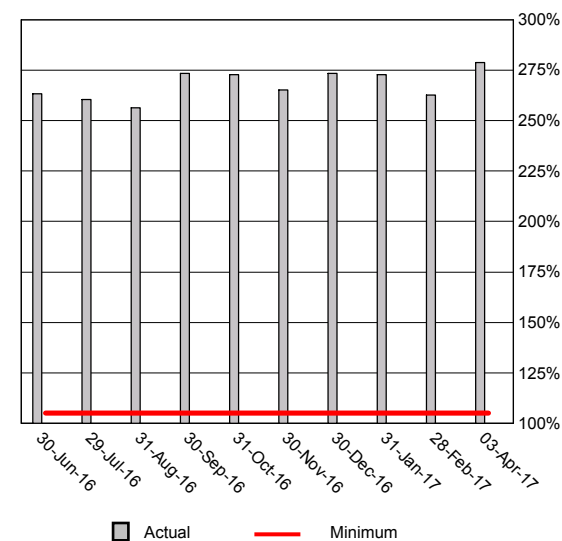
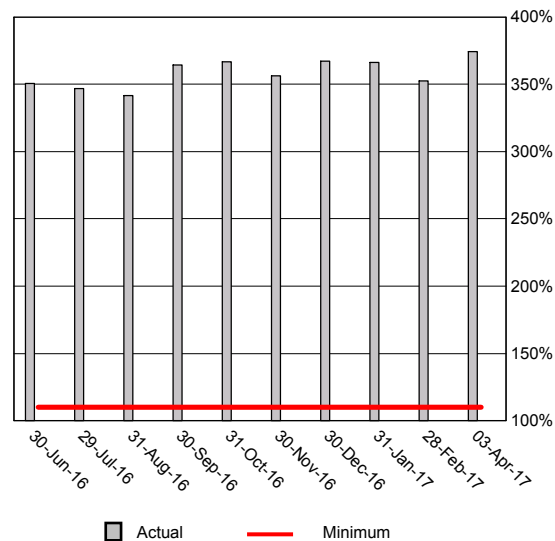
Coverage Tests History - Part IV

Class D Interest Coverage Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	110.0%	374.4%	264.4%	Pass
28-Feb-17	110.0%	352.5%	242.5%	Pass
31-Jan-17	110.0%	366.3%	256.3%	Pass
30-Dec-16	110.0%	367.3%	257.3%	Pass
30-Nov-16	110.0%	356.3%	246.3%	Pass
31-Oct-16	110.0%	366.4%	256.4%	Pass
30-Sep-16	110.0%	364.1%	254.1%	Pass
31-Aug-16	110.0%	341.4%	231.4%	Pass
29-Jul-16	110.0%	346.6%	236.6%	Pass
30-Jun-16	110.0%	350.5%	240.5%	Pass

Class E Interest Coverage Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	105.0%	278.8%	173.8%	Pass
28-Feb-17	105.0%	262.5%	157.5%	Pass
31-Jan-17	105.0%	272.8%	167.8%	Pass
30-Dec-16	105.0%	273.5%	168.5%	Pass
30-Nov-16	105.0%	265.3%	160.3%	Pass
31-Oct-16	105.0%	272.8%	167.8%	Pass
30-Sep-16	105.0%	273.4%	168.4%	Pass
31-Aug-16	105.0%	256.4%	151.4%	Pass
29-Jul-16	105.0%	260.3%	155.3%	Pass
30-Jun-16	105.0%	263.1%	158.1%	Pass





CDO Trust Services
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Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17

Collateral Quality Tests History - Part I

Fitch Maximum Weighted Average Rating Factor Test

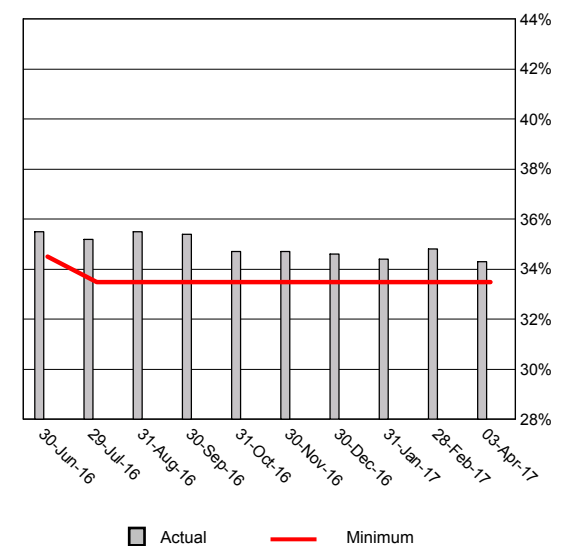
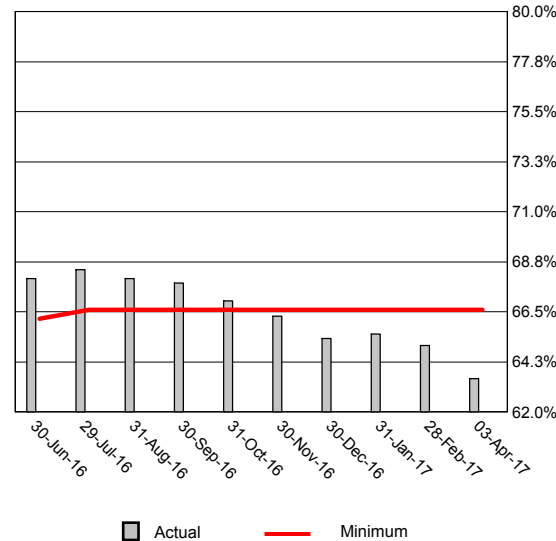
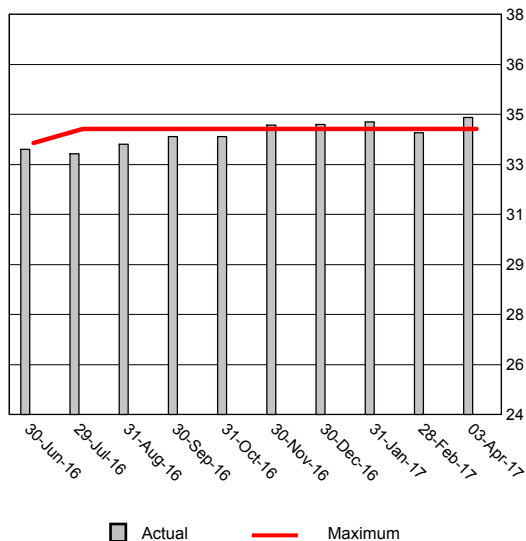
Period	Maximum	Actual	Spread	Result
03-Apr-17	34.00	34.39	(0.39)	Fail
28-Feb-17	34.00	33.86	0.14	Pass
31-Jan-17	34.00	34.23	(0.23)	Fail
30-Dec-16	34.00	34.14	(0.14)	Fail
30-Nov-16	34.00	34.12	(0.12)	Fail
31-Oct-16	34.00	33.73	0.27	Pass
30-Sep-16	34.00	33.73	0.27	Pass
31-Aug-16	34.00	33.45	0.55	Pass
29-Jul-16	34.00	33.13	0.87	Pass
30-Jun-16	33.50	33.29	0.21	Pass

Fitch Minimum Weighted Average Recovery Rate Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	66.6%	63.5%	(3.1)%	Fail
28-Feb-17	66.6%	65.0%	(1.6)%	Fail
31-Jan-17	66.6%	65.5%	(1.1)%	Fail
30-Dec-16	66.6%	65.3%	(1.3)%	Fail
30-Nov-16	66.6%	66.3%	(0.3)%	Fail
31-Oct-16	66.6%	67.0%	0.4%	Pass
30-Sep-16	66.6%	67.8%	1.2%	Pass
31-Aug-16	66.6%	68.0%	1.4%	Pass
29-Jul-16	66.6%	68.4%	1.8%	Pass
30-Jun-16	66.2%	68.0%	1.8%	Pass

S&P Minimum Weighted Average Recovery Rate Test - Class A Notes

Period	Minimum	Actual	Spread	Result
03-Apr-17	33.5%	34.3%	0.8%	Pass
28-Feb-17	33.5%	34.8%	1.3%	Pass
31-Jan-17	33.5%	34.4%	0.9%	Pass
30-Dec-16	33.5%	34.6%	1.1%	Pass
30-Nov-16	33.5%	34.7%	1.2%	Pass
31-Oct-16	33.5%	34.7%	1.2%	Pass
30-Sep-16	33.5%	35.4%	1.9%	Pass
31-Aug-16	33.5%	35.5%	2.0%	Pass
29-Jul-16	33.5%	35.2%	1.7%	Pass
30-Jun-16	34.5%	35.5%	1.0%	Pass





Harvest CLO VII DAC

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Collateral Quality Tests History - Part II

Minimum Weighted Average Spread Test

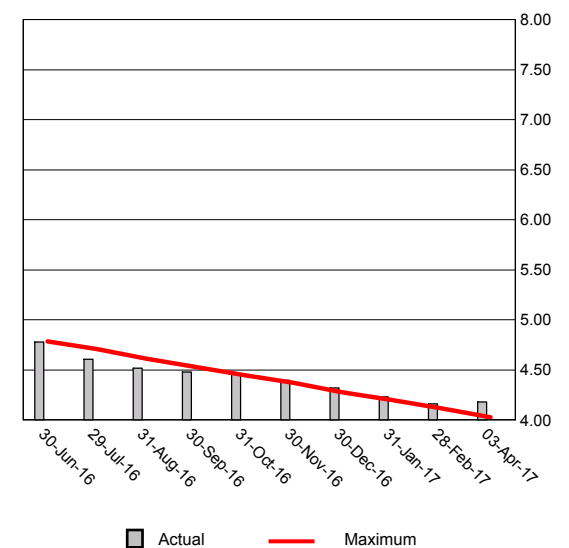
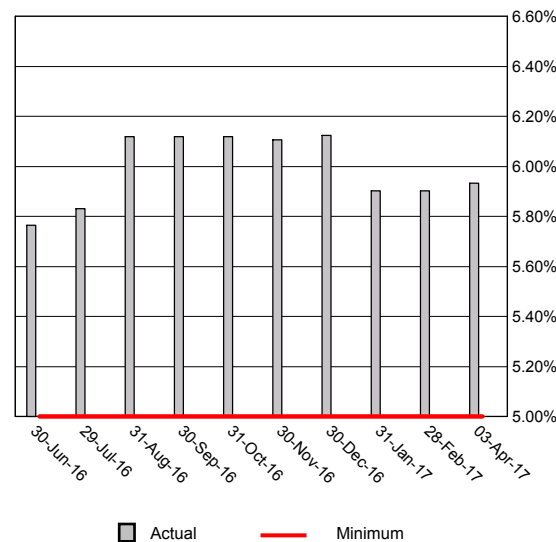
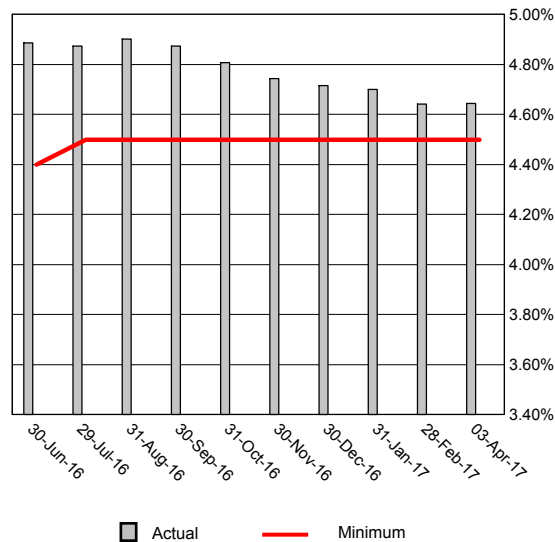
Period	Minimum	Actual	Spread	Result
03-Apr-17	4.50%	4.64%	0.14%	Pass
28-Feb-17	4.50%	4.64%	0.14%	Pass
31-Jan-17	4.50%	4.70%	0.20%	Pass
30-Dec-16	4.50%	4.72%	0.22%	Pass
30-Nov-16	4.50%	4.74%	0.24%	Pass
31-Oct-16	4.50%	4.81%	0.31%	Pass
30-Sep-16	4.50%	4.87%	0.37%	Pass
31-Aug-16	4.50%	4.90%	0.40%	Pass
29-Jul-16	4.50%	4.87%	0.37%	Pass
30-Jun-16	4.40%	4.89%	0.49%	Pass

Minimum Weighted Average Fixed Coupon Test

Period	Minimum	Actual	Spread	Result
03-Apr-17	5.00%	5.93%	0.93%	Pass
28-Feb-17	5.00%	5.90%	0.90%	Pass
31-Jan-17	5.00%	5.90%	0.90%	Pass
30-Dec-16	5.00%	6.12%	1.12%	Pass
30-Nov-16	5.00%	6.11%	1.11%	Pass
31-Oct-16	5.00%	6.12%	1.12%	Pass
30-Sep-16	5.00%	6.12%	1.12%	Pass
31-Aug-16	5.00%	6.12%	1.12%	Pass
29-Jul-16	5.00%	5.83%	0.83%	Pass
30-Jun-16	5.00%	5.76%	0.76%	Pass

Weighted Average Life Test

Period	Maximum	Actual	Spread	Result
03-Apr-17	4.03	4.18	(0.15)	Fail
28-Feb-17	4.12	4.16	(0.04)	Fail
31-Jan-17	4.20	4.23	(0.03)	Fail
30-Dec-16	4.28	4.32	(0.04)	Fail
30-Nov-16	4.37	4.40	(0.03)	Fail
31-Oct-16	4.45	4.46	(0.01)	Fail
30-Sep-16	4.53	4.48	0.05	Pass
31-Aug-16	4.62	4.52	0.10	Pass
29-Jul-16	4.71	4.61	0.10	Pass
30-Jun-16	4.79	4.78	0.01	Pass





Harvest CLO VII DAC

As Of: 03-Apr-17
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CDO Trust Services
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Assets Purchased

Security I.D.	Security Name	Transaction Motivation	Trade Date	Par Amount	Price	Principal Proceeds	Accrued Interest	Total Amount	Affiliated Seller
BL0403636	United Biscuits Term Loan B2	Addl. Collateral Security	08-Mar-17	2,500,000.00	100.75	2,518,750.00	-	2,518,750.00	
BL0348401	BMC Software T/L (EUR)	Addl. Collateral Security	10-Mar-17	1,000,000.00	102.00	1,020,000.00	-	1,020,000.00	
BL0452989	Sebia T/L B3A	Addl. Collateral Security	24-Mar-17	2,000,000.00	101.38	2,027,500.00	-	2,027,500.00	
BL0387433	Delachaux T/L B1 Amendment	Addl. Collateral Security	28-Mar-17	2,000,000.00	100.75	2,015,000.00	-	2,015,000.00	
BL0402646	Optimal Payments Term Loan B	Addl. Collateral Security	28-Mar-17	2,083,333.33	100.50	2,093,750.00	-	2,093,750.00	

Totals:	5			9,583,333.33		9,675,000.00	-	9,675,000.00	
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Harvest CLO VII DAC

As Of:
Current Payment:03-Apr-17
12-Apr-17CDO Trust Services
www.usbank.com/cdo

Assets Sold

Security I.D.	Security Name	Transaction Motivation	Trade Date	Par Amount	Price	Principal Proceeds	Accrued Interest	Total Amount	Affiliated Purchaser	% of ACB
BL0459026	Quintiles IMS T/L B-1 (EUR)	Credit Improved	01-Mar-17	1,930,342.40	100.75	1,944,819.97	-	1,944,819.97		0.6369%
BL0459026	Quintiles IMS T/L B-1 (EUR)	Credit Improved	01-Mar-17	2,843,102.65	100.88	2,867,979.80	-	2,867,979.80		0.9380%
BL0366296	Financiere Truck (Investissment) T/L EUR New	Credit Impaired	08-Mar-17	2,325,219.85	86.00	1,999,689.07	-	1,999,689.07		0.7691%
BL0441537	Unilabs Diagnostics TL B	Discretionary	15-Mar-17	2,051,282.05	101.00	2,071,794.87	-	2,071,794.87		0.6785%
BL0441537	Unilabs Diagnostics TL B	Discretionary	15-Mar-17	2,000,000.00	100.75	2,015,000.00	-	2,015,000.00		0.6615%
BL0375990	Gates Global Euro Term Loan	Credit Improved	21-Mar-17	1,000,000.00	101.00	1,010,000.00	-	1,010,000.00		0.3299%
BL0375990	Gates Global Euro Term Loan	Credit Improved	21-Mar-17	1,349,558.30	100.75	1,359,679.99	-	1,359,679.99		0.4452%
BL0441180	Styrolution (Ineos) T/L B (09/16)	Credit Improved	27-Mar-17	3,948,731.03	101.03	3,989,454.29	-	3,989,454.29		1.3060%
BL0447237	OGF T/L B ADD ON	Credit Improved	27-Mar-17	2,569,420.46	100.50	2,582,267.56	-	2,582,267.56		0.8498%
BL0447237	OGF T/L B ADD ON	Credit Improved	27-Mar-17	4,000,000.00	100.69	4,027,500.00	-	4,027,500.00		1.3230%

Total:	10			24,017,656.74		23,868,185.55	-	23,868,185.55		7.9379%
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Harvest CLO VII DAC

As Of:
Current Payment:03-Apr-17
12-Apr-17CDO Trust Services
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Principal Repayments

Trade Date	Transaction Description	Security I.D.	Issue Name	Debits	Credits	Total
01-Mar-17	Security - Principal Repayment	EK0716747	INEGRP 5 3/4 02/15/19		2,028,760.00	2,028,760.00
08-Mar-17	Loan - Principal Repayment	BL0420465	Keurig Green Mountain (Maple Holdings) T/L B		29,999.52	29,999.52
08-Mar-17	Loan - Principal Repayment	BL0420465	Keurig Green Mountain (Maple Holdings) T/L B		27,207.16	27,207.16
10-Mar-17	Loan - Principal Repayment	BL0362428	Atrium Term Loan		3,456,479.69	3,456,479.69
13-Mar-17	Loan - Principal Repayment	BL0420465	Keurig Green Mountain (Maple Holdings) T/L B		755,724.95	755,724.95
13-Mar-17	Loan - Principal Repayment	BL0420465	Keurig Green Mountain (Maple Holdings) T/L B		685,381.91	685,381.91
15-Mar-17	Security - Principal Repayment	EK3220887	DRYMIX FLOAT 06/15/21		3,000,000.00	3,000,000.00
28-Mar-17	Loan - Principal Repayment	BL0370462	Aramark Irish T/L C		1,372,941.18	1,372,941.18
30-Mar-17	Loan - Principal Repayment	BL0346512	Technicolor T/L B		2,471,088.28	2,471,088.28
31-Mar-17	Currency Swap - Principal Receipt	BL0413296	Concordia Healthcare Corp.		20,302.31	20,302.31
31-Mar-17	Currency Swap - Principal Receipt	BL0380941	AP NMT Acquisition B.V.		4,681.88	4,681.88
31-Mar-17	Loan - Principal Repayment	BL0445553	Inovyn Finance 2021 Tranche B EUR T/L		15,124.18	15,124.18
31-Mar-17	Loan - Principal Repayment	BL0452971	Sebia T/L B3B		12,166.92	12,166.92
31-Mar-17	Loan - Principal Repayment	BL0414666	Financiere Holding Term Loan B2		3,011.80	3,011.80
31-Mar-17	Loan - Principal Repayment	BL0452989	Sebia T/L B3A		47,477.77	47,477.77
31-Mar-17	Loan - Principal Repayment	BL0450421	Signode Industrial T/L B2		7,196.97	7,196.97
31-Mar-17	Loan - Principal Repayment	BL0441990	CBR SNR Term C3A Facility		30,905.63	30,905.63
31-Mar-17	Loan - Principal Repayment	BL0444200	Klockner Pentaplast T/L (Replacement ERSTE		3,781.62	3,781.62
31-Mar-17	Loan - Principal Repayment	BL0445744	Klockner Pentaplast Replacement GMBHJ Eur		4,089.81	4,089.81
31-Mar-17	Loan - Principal Repayment	BL0346918	Gardner Denver T/L (EUR) (Renaissance Acqu		15,179.76	15,179.76
31-Mar-17	Loan - Principal Repayment	BL0445124	Chesapeake Term Loan C		13,750.00	13,750.00
31-Mar-17	Loan - Principal Repayment	BL0375990	Gate Global Euro Term Loan		6,092.30	6,092.30
31-Mar-17	Loan - Principal Repayment	BL0380925	Endemol Euro T/L (1st Lien)		2,500.00	2,500.00
31-Mar-17	Loan - Principal Repayment	BL0348401	BMC Software Term loan		16,939.48	16,939.48
31-Mar-17	Loan - Principal Repayment	BL0459026	Quintiles IMS T/L B-1 (EUR)		11,933.61	11,933.61
31-Mar-17	Loan - Principal Repayment	BL0414872	Veritas Term Loan		8,602.15	8,602.15
31-Mar-17	Loan - Principal Repayment	BL0377871	Solenis Term Loan		1,239.84	1,239.84
31-Mar-17	Loan - Principal Repayment	BL0426223	Solenis Add-on T/L		9,208.33	9,208.33
31-Mar-17	Loan - Principal Repayment	BL0417594	Flint Term Loan B4		4,333.33	4,333.33
31-Mar-17	Loan - Principal Repayment	BL0395576	Springer Verlag GMBH		4,497.64	4,497.64
31-Mar-17	Loan - Principal Repayment	BL0372997	Flint Group TL 1L		3,054.80	3,054.80
31-Mar-17	Loan - Principal Repayment	BL0395576	Springer Science & Business Media D		151.89	151.89
31-Mar-17	Loan - Principal Repayment	BL0372997	Flint Group TL 1L		1,582.55	1,582.55



Harvest CLO VII DAC

As Of: 03-Apr-17
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Principal Repayments

Trade Date	Transaction Description	Security I.D.	Issue Name	Debits	Credits	Total
31-Mar-17	Loan - Principal Repayment	BL0372997	Flint Group TL 1L		451.74	451.74
31-Mar-17	Loan - Principal Repayment	BL0395576	Springer Science & Business Media F		5,618.33	5,618.33
31-Mar-17	Loan - Principal Repayment	BL0361941	Patheon Term B		9,887.53	9,887.53
31-Mar-17	Loan - Principal Repayment	BL0402653	Penn Engineering T/L C Incremental		148,899.47	148,899.47
31-Mar-17	Loan - Principal Repayment	BL0444358	Mauser T/L D		11,322.75	11,322.75
31-Mar-17	Loan - Principal Repayment	BL0400277	Exopack T/L B-1		7,653.06	7,653.06
31-Mar-17	Loan - Principal Repayment	BL0321291	Unifrax New Term Euro Loan		728.87	728.87
31-Mar-17	Loan - Principal Repayment	BL0446379	Vistra Group (Stiphout) T/L B		2,272.68	2,272.68
31-Mar-17	Loan - Principal Repayment	BL0321291	Unifrax New Term Euro Loan		8,016.69	8,016.69
31-Mar-17	Loan - Principal Repayment	BL0399404	MPG Holdco T/L B2 (Metaldyne)		3,888.89	3,888.89
31-Mar-17	Loan - Principal Repayment	BL0456402	Ineos Finance T/L 2022 New		4,936.84	4,936.84
31-Mar-17	Loan - Principal Repayment	BL0383762	Patheon T/L ADD-ON		1,574.31	1,574.31
31-Mar-17	Loan - Principal Repayment	BL0381279	Orion Engineered Term Loan		11,336.43	11,336.43
03-Apr-17	Loan - Principal Repayment	BL0400848	BSN T/L C		4,831,246.35	4,831,246.35
03-Apr-17	Loan - Principal Repayment	BL0444358	Mauser T/L D		4,506,454.50	4,506,454.50

-	23,629,675.70	23,629,675.70
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Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
www.usbank.com/cdo

Current Asset Characteristics - Part I

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Fitch Recovery Rate	S&P Recovery Rate	Market Value	Maturity Date
EK1778621	XS1028956909	AAFFP 5 5/8 04/15/19	2,400,000.00	-	5.63%	5.63%	Senior Secured Bond	85.00	30.00	100.77	15-Apr-19
BL0376725	LX137859	Alison T/L 2nd Lien (Alstom)	387,000.00	1.00%	7.10%	6.90%	Second Lien Loan	-	2.00	98.92	29-Aug-22
EK5894564	XS1137507239	Alize Finco PLC	2,450,000.00	1.00%	5.50%	6.50%	Senior Secured Bond	50.00	20.00	100.53	01-Dec-21
BL0377103	LX137655	All 3 Media New Facility B	2,704,000.00	1.00%	3.55%	3.55%	Senior Secured Loan	66.00	30.00	100.04	30-Jun-21
BL0403891	LX145174	Archroma T/L B	3,697,559.12	1.00%	5.00%	6.00%	Senior Secured Loan	60.00	30.00	100.10	01-Jul-22
BL0435307	LX154407	Atos Medical	2,133,333.33	0.00%	4.00%	4.00%	Senior Secured Loan	64.00	27.00	100.38	20-Jul-23
AL0700073	XS1517169899	Autodis fixed Rate notes 01/06/2022	715,000.00	-	4.38%	4.38%	Senior Secured Bond	44.00	20.00	103.85	30-Apr-22
AL0700735	XS1517169972	AUTODIS SA FRN 03/05/2022	1,500,000.00	0.00%	4.38%	4.38%	Senior Secured Bond	44.00	20.00	101.34	01-May-22
BL0436289	LX159199	Beauty Holding T/L B15(formerly B8)	428,906.01	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436503	LX160534	Beauty Holding T/L B16 (formerly B9)	261,351.48	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436529	LX160535	Beauty Holding T/L B17(Formerly B10)	448,085.06	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436537	LX160536	Beauty Holding T/L B18 (formerly B11)	297,488.47	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436545	LX160537	Beauty Holding T/L B19(formerly B12)	66,108.55	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436552	LX160538	Beauty Holding T/L B20(formerly B13)	341,259.83	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436560	LX160539	Beauty Holding T/L B21(formerly B14)	188,912.54	0.00%	3.75%	3.75%	Senior Secured Loan	64.00	30.00	100.49	13-Aug-22
BL0436958	LX154393	Bilfinger Term Loan B1 (Triangle FM Services	2,000,000.00	0.00%	5.25%	5.25%	Senior Secured Loan	53.00	30.00	100.75	01-Sep-23
BL0348401	LX131858	BMC Software T/L (EUR)	5,519,110.15	1.00%	4.50%	5.50%	Senior Secured Loan	72.00	50.00	100.02	10-Sep-20
BL0372237	LX137083	Car Trawler T/L B	1,834,101.27	0.00%	4.25%	4.25%	Senior Secured Loan	57.00	50.00	99.00	29-Apr-21
BL0441982	LX155455	CBR SNR Term B3A Facility	511,742.89	0.00%	5.50%	5.50%	Senior Secured Loan	55.00	45.00	86.06	18-Apr-19
BL0441990	LX155236	CBR SNR Term C3A Facility	954,975.80	0.00%	5.50%	5.50%	Senior Secured Loan	55.00	45.00	86.06	18-Apr-19
BL0347288	LX132691	CeramTec T/L B-1	1,040,201.93	0.75%	3.00%	3.75%	Senior Secured Loan	68.00	30.00	100.73	30-Aug-20
BL0360836	LX131516	CeramTec T/L B-2	459,788.07	0.75%	3.00%	3.75%	Senior Secured Loan	68.00	30.00	100.73	30-Aug-20
BL0369332	LX135736	Ceva Sante Animale T/L B	5,023,320.90	0.75%	3.00%	3.75%	Senior Secured Loan	53.00	30.00	100.67	30-Jun-21
BL0396947	LX143931	Charterhouse B1A3	2,509,954.08	0.00%	3.00%	3.00%	Senior Secured Loan	66.00	40.00	100.07	30-Apr-20
BL0396954	LX144052	Charterhouse B1B3	43,044.84	0.00%	3.00%	3.00%	Senior Secured Loan	66.00	40.00	100.07	30-Apr-20
BL0396970	LX143932	Charterhouse B1C3	1,342,737.86	0.00%	3.00%	3.00%	Senior Secured Loan	66.00	40.00	100.07	30-Apr-20
BL0396962	LX144054	Charterhouse B1E3	104,263.23	0.00%	3.00%	3.00%	Senior Secured Loan	66.00	40.00	100.07	30-Apr-20
BL0445124	LX155407	Chesapeake Term Loan C	4,108,667.30	1.00%	3.25%	4.25%	Senior Secured Loan	80.00	50.00	100.16	30-Sep-20
BL0413296	LX148271	Concordia Healthcare T/L B	3,195,583.99	1.00%	4.30%	4.08%	Senior Secured Loan	73.00	40.00	68.56	21-Oct-21
BL0393688	LX143296	Constantia Term loan B1	4,054,425.32	1.00%	3.00%	4.00%	Senior Secured Loan	43.00	45.00	100.77	29-Apr-22
BL0397762	LX143893	Constantia Term loan B2	306,685.79	1.00%	3.00%	4.00%	Senior Secured Loan	43.00	45.00	100.77	29-Apr-22
BL0382822	LX140097	Cool International Holding B1	1,951,017.75	0.00%	4.25%	4.25%	Senior Secured Loan	56.00	45.00	99.22	19-Nov-20
BL0356719	LX133726	CPA Global T/L B	3,859,090.91	1.00%	3.00%	4.00%	Senior Secured Loan	55.00	20.00	100.67	03-Dec-20
BL0387433	LX141055	Delachaux T/L B1 Amendment	4,000,000.00	0.00%	4.00%	4.00%	Senior Secured Loan	59.00	20.00	100.29	28-Oct-21
BL0375016	LX137334	Deoleo 2nd Lien	375,000.00	1.00%	6.75%	7.75%	Second Lien Loan	-	2.00	55.00	13-Jun-22



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
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Current Asset Characteristics - Part I

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Fitch Recovery Rate	S&P Recovery Rate	Market Value	Maturity Date
BL0375008	LX137333	Deoleo Term Loan	2,625,000.00	1.00%	3.50%	4.50%	Senior Secured Loan	41.00	20.00	73.32	11-Jun-21
EJ8932307	XS0985948255	DGGLN 0 11/15/19	2,845,308.00	-	4.12%	4.12%	Senior Secured Bond	70.00	27.00	100.16	15-Nov-19
BL0371304	LX136064	Eddie Stobart Term Loan B	2,060,533.29	-	4.35%	3.88%	Senior Secured Loan	57.00	20.00	99.17	30-Apr-21
BL0444002	LX155433	Eircom Holdings T/L B5	2,681,523.48	0.00%	4.00%	4.00%	Senior Secured Loan	65.00	30.00	99.72	31-May-22
EJ9793526	XS0982712951	EMPARK 0 12/15/19	3,000,000.00	-	5.50%	5.17%	Senior Secured Bond	57.00	27.00	100.23	15-Dec-19
BL0380941	LX139559	Endemol GBP T/L (1st Lien)	1,825,931.25	1.00%	5.65%	5.43%	Senior Secured Loan	59.00	20.00	89.60	11-Aug-21
BL0380925	LX139557	Endemol Euro T/L (1st Lien)	975,000.00	1.00%	6.00%	7.00%	Senior Secured Loan	59.00	20.00	92.70	13-Aug-21
BL0375123	LX136869	ERM 2nd Lien	727,000.00	-	5.90%	5.90%	Unsecured Senior Obligation	-	2.00	90.33	16-May-21
BL0373383	LX137157	ERM T/L B2	799,999.99	1.00%	4.00%	5.00%	Senior Secured Loan	90.00	27.00	95.25	14-May-21
BL0442428	LX155290	Evry T/L B4	3,000,000.00	0.00%	4.00%	4.00%	Senior Secured Loan	60.00	30.00	101.50	13-Mar-22
BL0400277	LX133459	Exopack T/L B-1	2,961,734.70	1.00%	3.50%	4.50%	Senior Secured Loan	61.00	30.00	100.71	08-May-19
BL0462616		Famar T/L B New	1,052,676.04	0.00%	2.00%	2.00%	Senior Secured Loan	56.00	39.00	40.00	08-Mar-22
BL0388761	LX141132	Fat Face Term Loan	129,887.53	-	4.55%	4.55%	Senior Secured Loan	66.00	30.00	85.00	25-Sep-20
BL0457525	LX157359	FCI Microconnections New 2nd Lien	641,711.16	0.00%	7.25%	7.25%	Second Lien Loan	-	2.00	100.00	16-Oct-23
BL0414666	LX149339	Financiere Holding Term Loan B2	3,871,978.71	-	4.50%	4.13%	Senior Secured Loan	65.00	30.00	100.38	30-Sep-20
BL0445181	LX155530	First Data 2021 New Euro Term Loan	5,435,935.41	-	3.00%	2.60%	Senior Secured Loan	95.00	65.00	99.65	24-Mar-21
BL0372997	LX136879	Flint Group TL 1L	1,984,745.67	0.75%	3.00%	3.75%	Senior Secured Loan	57.00	30.00	100.44	07-Sep-21
BL0417594	LX149864	Flint Term Loan B4	1,711,666.68	0.75%	3.00%	3.75%	Senior Secured Loan	57.00	30.00	100.88	07-Sep-21
BL0410607	LX147457	Galileo T/L B1	983,396.81	0.00%	4.25%	4.25%	Senior Secured Loan	56.00	27.00	100.25	21-Oct-22
BL0414500	LX148875	Galileo T/L B2	1,121,866.35	0.00%	4.25%	4.25%	Senior Secured Loan	56.00	27.00	100.25	21-Oct-22
BL0346918	LX128916	Gardner Denver T/L (EUR) (Renaissance Acq	5,859,389.17	1.00%	3.75%	4.75%	Senior Secured Loan	63.00	30.00	100.19	30-Jul-20
EK3223469	XS1078819726	Gates Global LLC Fixed 15.07.22	1,300,000.00	-	5.75%	5.75%	Unsecured Senior Obligation	-	5.00	101.84	15-Jul-22
AL0882525	XS1516322465	GCLIM Float 15/11/21 Corp	1,400,000.00	0.00%	4.75%	4.75%	Senior Secured Bond	47.00	27.00	101.85	15-Nov-21
BL0376352	LX138158	Giannoni T/L B (Sermeta) T/L B	1,872,726.41	-	3.75%	3.44%	Senior Secured Loan	82.00	40.00	99.75	05-Jun-21
BL0426405		Homair T/L C	830,000.00	0.00%	4.75%	4.75%	Senior Secured Loan	62.00	39.00	100.52	10-Sep-22
QJ5442471	XS1318392864	ICBPI 8 1/4 05/30/21 Corp	391,000.00	-	8.25%	8.25%	Senior Secured Bond	24.00	9.00	102.81	30-May-21
QJ7076673	XS1318393839	ICBPI FLoat 05/30/21 Corp	3,780,000.00	0.00%	8.00%	8.00%	Senior Secured Bond	24.00	9.00	101.43	30-May-21
EK3729952	XS1087775240	ICELTD FLOAT 07/15/20	2,508,000.00	-	3.60%	3.60%	Senior Secured Bond	53.00	30.00	99.93	15-Jul-20
BL0401978	LX144960	Iglo C1	2,374,822.14	0.00%	3.50%	3.50%	Senior Secured Loan	74.00	30.00	100.37	30-Jun-20
BL0413064	LX148737	Innovation Group EUR Term Loan	2,000,000.00	0.00%	4.75%	4.75%	Senior Secured Loan	36.00	27.00	92.00	22-Nov-22
BL0445553	LX155799	Inovyn Finance 2021 Tranche B EUR T/L	6,019,421.71	1.00%	3.50%	4.50%	Senior Secured Loan	63.00	40.00	100.40	14-May-21
UV9969261	XS1298004612	Interoute Sr Sec Notes	833,000.00	-	7.38%	7.38%	Senior Secured Bond	64.00	30.00	106.07	15-Oct-20
JK9652245	XS1405784288	Kerlin 6 1/4 05/15/21	965,000.00	-	6.25%	6.25%	Senior Secured Bond	63.00	40.00	105.19	17-May-21
EK0958133	XS1040429455	KERNOS 0 03/01/21	679,000.00	-	4.75%	4.42%	Senior Secured Bond	71.00	27.00	100.20	01-Mar-21
EK0902917	XS1040428721	KERNOS 5 3/4 03/01/21	1,225,000.00	-	5.75%	5.75%	Senior Secured Bond	71.00	27.00	102.95	01-Mar-21



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
www.usbank.com/cdo

Current Asset Characteristics - Part I

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Fitch Recovery Rate	S&P Recovery Rate	Market Value	Maturity Date
BL0445744	LX155813	Klockner Pentaplast Replacement GMBHJ Eu	1,627,743.46	1.00%	3.00%	4.00%	Senior Secured Loan	50.00	20.00	100.71	28-Apr-20
BL0444200	LX155685	Klockner Pentaplast T/L (Replacement ERSTI	1,505,084.14	1.00%	3.00%	4.00%	Senior Secured Loan	50.00	20.00	100.71	28-Apr-20
BL0427304	LX152521	Kuoni T/L B	2,000,000.00	1.00%	5.50%	6.50%	Senior Secured Loan	54.00	27.00	97.59	19-May-23
AL1055311	XS1516322200	LABFP Float 07/01/22	4,000,000.00	0.00%	3.50%	3.50%	Senior Secured Bond	63.00	27.00	101.00	01-Jul-22
BL0433302	LX153526	Logoplaste Term Loan	1,999,999.99	0.00%	4.00%	4.00%	Senior Secured Loan	53.00	27.00	100.30	28-Jun-23
BL0380818	LX140009	Materis Chryso	2,000,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	67.00	30.00	99.59	13-Aug-21
BL0413239	LX148262	Median Kliniken T/L B1	1,028,898.96	0.00%	5.50%	5.50%	Senior Secured Loan	82.00	30.00	101.13	27-Oct-22
BL0447914	LX156994	Mediq T/L B1	4,000,000.00	0.00%	4.50%	4.50%	Senior Secured Loan	39.00	27.00	100.57	28-Feb-22
BL0381147	LX139951	Megadyne Tranche B1	1,686,685.16	0.00%	4.25%	4.25%	Senior Secured Loan	80.00	39.00	100.00	30-Jun-21
BL0382285	LX139951	Megadyne Tranche B2	313,314.84	0.00%	4.25%	4.25%	Senior Secured Loan	80.00	39.00	100.00	30-Jun-21
BL0399404	LX144528	MPG Holdco T/L B2 (Metaldyne)	1,528,333.33	1.00%	2.75%	3.75%	Senior Secured Loan	100.00	65.00	100.17	20-Oct-21
BL0392383	LX142996	Northgate B GBP	2,780,000.00	1.00%	4.85%	4.85%	Senior Secured Loan	47.00	27.00	95.00	19-Jan-22
BL0402646	LX145020	Optimal Payments Term Loan B	5,883,333.33	0.00%	3.75%	3.75%	Senior Secured Loan	87.00	60.00	100.25	10-Aug-22
BL0381279	LX139695	Orion Engineered Term Loan	3,784,775.45	0.75%	3.00%	3.75%	Senior Secured Loan	68.00	40.00	100.94	23-Jul-21
BL0342859	LX129945	Oxea T/L B-1	3,935,000.00	1.00%	3.50%	4.50%	Senior Secured Loan	54.00	27.00	99.16	15-Jan-20
BL0383762	LX141220	Patheon 2015 Incremental Euro T/L	612,405.52	1.00%	3.50%	4.50%	Senior Secured Loan	100.00	40.00	100.00	11-Mar-21
BL0361941	LX134989	Patheon Initial Term Loan	3,846,249.23	1.00%	3.50%	4.50%	Senior Secured Loan	100.00	40.00	100.00	11-Mar-21
BL0402653	LX144818	Penn Engineering T/L C Incremental	1,295,516.82	1.00%	3.00%	4.00%	Senior Secured Loan	100.00	50.00	100.83	30-Aug-21
EJ7674926	XS0956139264	PICSUR 0 08/01/19	2,300,973.24	0.00%	4.25%	4.25%	Senior Secured Bond	85.00	50.00	100.79	01-Aug-19
BL0394926	LX143257	Pigments T/L B (Esmalglass)	1,837,398.37	0.00%	5.00%	5.00%	Senior Secured Loan	70.00	40.00	100.44	31-Mar-22
BL0391484	LX142212	Prezzo Restaurants Term Loan	2,025,000.00	-	4.86%	4.66%	Senior Secured Loan	74.00	50.00	98.13	16-Dec-21
LW8188093	XS1454976801	SCHMAN Float 07/31/22 Corp	1,800,000.00	0.00%	6.63%	6.63%	Senior Secured Bond	67.00	40.00	101.09	31-Jul-22
BL0452989	LX139399	Sebia T/L B3A	2,799,453.06	0.00%	3.50%	3.50%	Senior Secured Loan	60.00	30.00	100.63	17-Dec-21
BL0452971	LX142742	Sebia T/L B3B	230,563.06	0.00%	3.50%	3.50%	Senior Secured Loan	60.00	30.00	100.63	17-Dec-21
BL0450421	LX158054	Signode Industrial T/L B2	2,799,621.21	1.00%	3.00%	4.00%	Senior Secured Loan	65.00	40.00	100.69	01-May-21
BL0426223	LX152444	Solenis Add-on T/L	3,655,708.34	1.00%	4.00%	5.00%	Senior Secured Loan	77.00	30.00	101.13	31-Jul-21
BL0377871	LX138124	Solenis Term Loan	483,536.26	1.00%	3.50%	4.50%	Senior Secured Loan	77.00	30.00	101.08	31-Jul-21
BL0395576	LX143524	Springer Science T/L B8	4,024,999.98	1.00%	3.50%	4.50%	Senior Secured Loan	78.00	30.00	99.88	14-Aug-20
BL0394496	LX143312	Survitec EUR Term Loan	2,756,756.76	0.00%	4.00%	4.00%	Senior Secured Loan	48.00	30.00	99.75	12-Mar-22
BL0415457	LX149082	Swissport Investments T/L B	1,473,684.21	1.00%	5.25%	6.25%	Senior Secured Loan	60.00	40.00	101.41	09-Feb-22
BL0429540	LX152547	Tipico EUR T/L	3,440,000.00	1.00%	5.50%	6.50%	Senior Secured Loan	51.00	40.00	99.92	08-Aug-22
BL0399065	LX144123	Trinseo Materials T/L B	459,706.58	1.00%	2.50%	2.28%	Senior Secured Loan	87.00	65.00	100.75	05-Nov-21
EK3782175	XS1086778641	TWSSBS Float 07/15/19 Corp	3,500,000.00	-	5.88%	5.55%	Senior Secured Bond	70.00	40.00	100.32	15-Jul-19
BL0444515	LX139895	Ufinet Telecom Holdings T/L	4,320,261.44	0.00%	4.38%	4.38%	Senior Secured Loan	62.00	30.00	99.94	28-Jun-21
BL0321291	LX128280	Unifrax New Term Euro Loan	489,067.83	1.00%	3.50%	4.50%	Senior Secured Loan	100.00	50.00	100.25	28-Nov-18



Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17CDO Trust Services
www.usbank.com/cdo

Current Asset Characteristics - Part I

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Principal Balance	Floor	Spread	Coupon	Asset Type	Fitch Recovery Rate	S&P Recovery Rate	Market Value	Maturity Date
BL0360596	LX141580	Unit 4 T/L B1	3,000,000.00	0.00%	4.25%	4.25%	Senior Secured Loan	57.00	30.00	99.33	17-Mar-21
BL0403636	LX142370	United Biscuits Term Loan B2	4,585,265.84	0.00%	3.75%	3.75%	Senior Secured Loan	81.00	40.00	100.15	19-Nov-21
BL0452807	LX153197	Verallia T/L B3	4,166,666.68	0.00%	3.75%	3.75%	Senior Secured Loan	41.00	40.00	100.18	22-Dec-22
JV8940480	XS1357678322	Veritas 7.5% 01/02/2023	2,000,000.00	-	7.50%	7.50%	Senior Secured Bond	78.00	50.00	102.93	01-Feb-23
BL0414872	LX151041	Veritas Term Loan	3,406,451.62	1.00%	5.63%	6.63%	Senior Secured Loan	78.00	50.00	99.89	27-Jan-23
BL0406241	LX146620	Vistra 2nd Lien	155,852.54	1.00%	8.00%	9.00%	Second Lien Loan	-	2.00	100.79	26-Oct-23
BL0446379	LX146618	Vistra Group (Stiphout) T/L B	895,456.90	1.00%	3.00%	4.00%	Senior Secured Loan	54.00	30.00	100.58	26-Oct-22
EJ7472784	XS0953085627	VUECIN 0 07/15/20	1,500,000.00	-	5.25%	4.92%	Senior Secured Bond	57.00	27.00	100.60	15-Jul-20
EK5851887	XS1135437280	VUECIN FLT 7/15/20	3,000,000.00	-	5.25%	4.92%	Senior Secured Bond	57.00	27.00	100.65	15-Jul-20
BL0450553	LX161835	Wittur T/L B2	1,764,705.88	1.00%	5.00%	6.00%	Senior Secured Loan	84.00	30.00	100.92	31-Mar-22
EK2831023	XS1071440991	XELLA 0 06/01/19	5,930,000.00	0.00%	3.75%	3.75%	Senior Secured Bond	77.00	40.00	100.00	01-Jun-19

Totals:	116	246,314,441.00
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Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Obligor	Country	Fitch Industry Classification	S&P Industry Classification
EK1778621	XS1028956909	AAFFP 5 5/8 04/15/19	3AB Optique Developpement SAS	France	General Retail	Speciality Retail
BL0376725	LX137859	Alison T/L 2nd Lien (Alstom)	Alison Bidco S.A.R.L.	Germany	Industrial/Manufacturing	Machinery
EK5894564	XS1137507239	Alize Finco PLC	Alliance Automotive Group SAS	France	Automobiles	Auto Components
BL0377103	LX137655	All 3 Media New Facility B	All3Media Intermediate Limited	United Kingdom	Broadcasting and Media	Media
BL0403891	LX145174	Archroma T/L B	SK SPICE S.A. R.L. (AKA Clariant Corporation)	Switzerland	Chemicals	Chemicals
BL0435307	LX154407	Atos Medical	Atos Medical	Sweden	Healthcare	Healthcare Equipment and Supplies
AL0700073	XS1517169899	Autodis fixed Rate notes 01/06/2022	Autodis SA	France	Automobiles	Auto Components
AL0700735	XS1517169972	AUTODIS SA FRN 03/05/2022	Autodis SA	France	Automobiles	Auto Components
BL0436289	LX159199	Beauty Holding T/L B15(formerly B8)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436503	LX160534	Beauty Holding T/L B16 (formerly B9)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436529	LX160535	Beauty Holding T/L B17(Formerly B10)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436537	LX160536	Beauty Holding T/L B18 (formerly B11)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436545	LX160537	Beauty Holding T/L B19(formerly B12)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436552	LX160538	Beauty Holding T/L B20(formerly B13)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436560	LX160539	Beauty Holding T/L B21(formerly B14)	Kirk Beauty One GMBH	Germany	General Retail	Speciality Retail
BL0436958	LX154393	Bilfinger Term Loan B1 (Triangle FM Services Holding GmbH)	Triangle FM Services TOPCO GMBH	Germany	Real Estate	Professional Services
BL0348401	LX131858	BMC Software T/L (EUR)	BMC U.S. Co	United States	Computer and Electronics	Software
BL0372237	LX137083	Car Trawler T/L B	Mustang Intermediateco Limited	United Kingdom	Gaming, Leisure and Entertainment	Distributors
BL0441982	LX155455	CBR SNR Term B3A Facility	CBR - Textile GmbH	Germany	General Retail	Textiles, Apparel and Luxury Goods
BL0441990	LX155236	CBR SNR Term C3A Facility	CBR - Textile GmbH	Germany	General Retail	Textiles, Apparel and Luxury Goods
BL0347288	LX132691	CeramTec T/L B-1	Faenza GMBH	Germany	Industrial/Manufacturing	Healthcare Equipment and Supplies
BL0360836	LX131516	CeramTec T/L B-2	Faenza GMBH	Germany	Industrial/Manufacturing	Healthcare Equipment and Supplies
BL0369332	LX135736	Ceva Sante Animale T/L B	Ceva Sante Animale	France	Pharmaceuticals	Pharmaceuticals
BL0396947	LX143931	Charterhouse B1A3	Trionista Holdco GMBH	Germany	Utilities (Power)	Multi-Utilities
BL0396954	LX144052	Charterhouse B1B3	Trionista Holdco GMBH	Germany	Utilities (Power)	Multi-Utilities
BL0396970	LX143932	Charterhouse B1C3	Trionista Holdco GMBH	Germany	Utilities (Power)	Multi-Utilities
BL0396962	LX144054	Charterhouse B1E3	Trionista Holdco GMBH	Germany	Utilities (Power)	Multi-Utilities
BL0445124	LX155407	Chesapeake Term Loan C	CHASE BIDCO LIMITED	United Kingdom	Packaging and Containers	Containers and Packaging
BL0413296	LX148271	Concordia Healthcare T/L B	Concordia Healthcare Corp.	United Kingdom	Pharmaceuticals	Pharmaceuticals
BL0393688	LX143296	Constantia Term loan B1	Constantia Flexibles Group GmbH	Austria	Packaging and Containers	Containers and Packaging
BL0397762	LX143893	Constantia Term loan B2	Constantia Flexibles Group GmbH	Austria	Packaging and Containers	Containers and Packaging
BL0382822	LX140097	Cool International Holding B1	European Cooling 2 Sarl	Austria	Business Services	Electrical Equipment
BL0356719	LX133726	CPA Global T/L B	Redtop Midco Limited	United Kingdom	Business Services	Professional Services
BL0387433	LX141055	Delachaux T/L B1 Amendment	Delachaux S.A.	France	Transportation and Distribution	Road and Rail
BL0375016	LX137334	Deoleo 2nd Lien	Deoleo S.A.	Spain	Food, Beverage and Tobacco	Food Products
BL0375008	LX137333	Deoleo Term Loan	Deoleo S.A.	Spain	Food, Beverage and Tobacco	Food Products
EJ8932307	XS0985948255	DGGLN 0 11/15/19	Galaxy Bidco Ltd	United Kingdom	Banking and Finance	Insurance
BL0371304	LX136064	Eddie Stobart Term Loan B	Greenwhitestar Acquisitions LTD	United Kingdom	Transportation and Distribution	Air Freight and Logistics
BL0444002	LX155433	Eircom Holdings T/L B5	Eircom Holdings (Ireland) Ltd	Ireland	Telecommunications	Diversified Telecommunication Services
EJ9793526	XS0982712951	EMPARK 0 12/15/19	Empark Funding SA	Spain	Business Services	Transportation Infrastructure
BL0380941	LX139559	Endemol GBP T/L (1st Lien)	MediArena Acquisition B.V.	Netherlands	Broadcasting and Media	Media

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Obligor	Country	Fitch Industry Classification	S&P Industry Classification
BL0380925	LX139557	Endemol Euro T/L (1st Lien)	MediArena Acquisition B.V.	Netherlands	Broadcasting and Media	Media
BL0375123	LX136869	ERM 2nd Lien	Emerald 2 Ltd. (Eagle US / Emerald Newco / ERM Canada / ERM Emerald 2 Ltd. (Eagle US / Emerald Newco / ERM Canada / ERM	United Kingdom	Business Services	Professional Services
BL0373383	LX137157	ERM T/L B2	Emerald 2 Ltd. (Eagle US / Emerald Newco / ERM Canada / ERM	United Kingdom	Business Services	Professional Services
BL0442428	LX155290	Evry T/L B4	Lyngen Bidco AS	Norway	Computer and Electronics	IT Services
BL0400277	LX133459	Exopack T/L B-1	Exopack Holdings S.A.	Luxembourg	Packaging and Containers	Containers and Packaging
BL0462616		Famar T/L B New	Famar S.A.	France	Pharmaceuticals	Pharmaceuticals
BL0388761	LX141132	Fat Face Term Loan	Fatface Group Parent Limited	United Kingdom	General Retail	Textiles, Apparel and Luxury Goods
BL0457525	LX157359	FCI Microconnections New 2nd Lien	Lully Finance S.A.R.L.	France	Computer and Electronics	Technology Hardware, Storage and Peripherals
BL0414666	LX149339	Financiere Holding Term Loan B2	FINANCIERE HOLDING CEP	France	Banking and Finance	Insurance
BL0445181	LX155530	First Data 2021 New Euro Term Loan	First Data Corporation	United States	Business Services	Diversified Financial Services
BL0372997	LX136879	Flint Group TL 1L	Colouroz Midco	Germany	Chemicals	Chemicals
BL0417594	LX149864	Flint Term Loan B4	Colouroz Midco	Germany	Chemicals	Chemicals
BL0410607	LX147457	Galileo T/L B1	Galileo Global Education Finance SARL	France	Consumer Products	Diversified Consumer Services
BL0414500	LX148875	Galileo T/L B2	Galileo Global Education Finance SARL	France	Consumer Products	Diversified Consumer Services
BL0346918	LX128916	Gardner Denver T/L (EUR) (Renaissance Acquisition)	Gardner Denver, Inc.	United States	Industrial/Manufacturing	Energy Equipment and Services
EK3223469	XS1078819726	Gates Global LLC Fixed 15.07.22	Gates Global LLC	United States	Automobiles	Machinery
AL0882525	XS1516322465	GCLIM Float 15/11/21 Corp	Guala Closures SpA	Italy	Packaging and Containers	Containers and Packaging
BL0376352	LX138158	Giannoni T/L B (Sermeta) T/L B	Sermeta S.A.	France	Industrial/Manufacturing	Industrial Conglomerates
BL0426405		Homair T/L C	Homair Vacances	France	Lodging and Restaurants	Hotels, Restaurants and Leisure
QJ5442471	XS1318392864	ICBPI 8 1/4 05/30/21 Corp	Mercury Bondco	Italy	Banking and Finance	Diversified Financial Services
QJ7076673	XS1318393839	ICBPI FLoat 05/30/21 Corp	Mercury Bondco	Italy	Banking and Finance	Diversified Financial Services
EK3729952	XS1087775240	ICELTD FLOAT 07/15/20	STRETFORD SEVENTY NINE	United Kingdom	Food and Drug Retail	Food and Staples Retailing
BL0401978	LX144960	Iglo C1	Iglo Foods Midco Limited	United Kingdom	Food, Beverage and Tobacco	Food Products
BL0413064	LX148737	Innovation Group EUR Term Loan	Innovation Group	United Kingdom	Banking and Finance	Software
BL0445553	LX155799	Inovyn Finance 2021 Tranche B EUR T/L	Inovyn Finance PLC	United Kingdom	Chemicals	Chemicals
UV9969261	XS1298004612	Interoute Sr Sec Notes	Interoute Finco	United Kingdom	Telecommunications	Diversified Telecommunication Services
JK9652245	XS1405784288	Kerlin 6 1/4 05/15/21	Inovyn Finance PLC	United Kingdom	Chemicals	Chemicals
EK0958133	XS1040429455	KERNOS 0 03/01/21	Kerneos Tech Group SAS	France	Buildings and Materials	Construction Materials
EK0902917	XS1040428721	KERNOS 5 3/4 03/01/21	Kerneos Tech Group SAS	France	Buildings and Materials	Construction Materials
BL0445744	LX155813	Klockner Pentaplast Replacement GMBHJ Euro T/L	Kleopatra Holding 2 S.C.A	Germany	Packaging and Containers	Containers and Packaging
BL0444200	LX155685	Klockner Pentaplast T/L (Replacement ERSTE Euro)	Kleopatra Holding 2 S.C.A	Germany	Packaging and Containers	Containers and Packaging
BL0427304	LX152521	Kuoni T/L B	Kuoni	Switzerland	Business Services	Diversified Consumer Services
AL1055311	XS1516322200	LABFP Float 07/01/22	Synlab Bondco PLC	France	Healthcare	Healthcare Providers and Services
BL0433302	LX153526	Logoplaste Term Loan	Logoplaste	Portugal	Packaging and Containers	Containers and Packaging
BL0380818	LX140009	Materis Chryso	Chryso Group Holding	France	Chemicals	Construction Materials

Current Asset Characteristics - Part II

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Obligor	Country	Fitch Industry Classification	S&P Industry Classification
BL0413239	LX148262	Median Kliniken T/L B1	Remedco BV & Co KG	Germany	Healthcare	Healthcare Providers and Services
BL0447914	LX156994	Mediq T/L B1	Al Garden B.V	Netherlands	Healthcare	Healthcare Equipment and Supplies
BL0381147	LX139951	Megadyne Tranche B1	Megaco SRL	Italy	Industrial/Manufacturing	Machinery
BL0382285	LX139951	Megadyne Tranche B2	Megaco SRL	Italy	Industrial/Manufacturing	Machinery
BL0399404	LX144528	MPG Holdco T/L B2 (Metaldyne)	MPG Holdco I Inc.	United States	Automobiles	Auto Components
BL0392383	LX142996	Northgate B GBP	Argon NPS (Holdings) Limited	United Kingdom	Business Services	Commercial Services and Supplies
BL0402646	LX145020	Optimal Payments Term Loan B	Optimal Payments Plc	United Kingdom	Business Services	Diversified Financial Services
BL0381279	LX139695	Orion Engineered Term Loan	Orion Engineered Carbons S.a r.l.	Germany	Chemicals	Chemicals
BL0342859	LX129945	Oxea T/L B-1	OXEA SARL	Germany	Chemicals	Chemicals
BL0383762	LX141220	Patheon 2015 Incremental Euro T/L	DPX Holdings B.V	Netherlands	Pharmaceuticals	Life Sciences Tools and Services
BL0361941	LX134989	Patheon Initial Term Loan	DPX Holdings B.V	Netherlands	Pharmaceuticals	Life Sciences Tools and Services
BL0402653	LX144818	Penn Engineering T/L C Incremental	Penn Engineering & Manufacturing Corp.	United States	Industrial/Manufacturing	Industrial Conglomerates
EJ7674926	XS0956139264	PICSUR 0 08/01/19	Lion Polaris S.A.S.	France	Food, Beverage and Tobacco	Food Products
BL0394926	LX143257	Pigments T/L B (Esmalglass)	Pigments II B.V. (Esmalglass Itaca Group)	Spain	Buildings and Materials	Construction Materials
BL0391484	LX142212	Prezzo Restaurants Term Loan	Papa Midco Limited	United Kingdom	Lodging and Restaurants	Hotels, Restaurants and Leisure
LW8188093	XS1454976801	SCHMAN Float 07/31/22 Corp	SISAL HOLDING FINANZIARIA S.P.A.	Italy	Gaming, Leisure and Entertainment	Leisure Products
BL0452989	LX139399	Sebia T/L B3A	Diacine France SAS	France	Healthcare	Healthcare Equipment and Supplies
BL0452971	LX142742	Sebia T/L B3B	Diacine France SAS	France	Healthcare	Healthcare Equipment and Supplies
BL0450421	LX158054	Signode Industrial T/L B2	Signode Industrial Group Holdings US Inc	Luxembourg	Packaging and Containers	Containers and Packaging
BL0426223	LX152444	Solenis Add-on T/L	Solenis International LP	United States	Chemicals	Chemicals
BL0377871	LX138124	Solenis Term Loan	Solenis International LP	United States	Chemicals	Chemicals
BL0395576	LX143524	Springer Science T/L B8	Springer SBM One GmbH	Germany	Broadcasting and Media	Media
BL0394496	LX143312	Survitec EUR Term Loan	Survitec	United Kingdom	Packaging and Containers	Aerospace and Defense
BL0415457	LX149082	Swissport Investments T/L B	Swissport Investments	Switzerland	Transportation and Distribution	Air Freight and Logistics
BL0429540	LX152547	Tipico EUR T/L	Tipico	Germany	Gaming, Leisure and Entertainment	Leisure Products
BL0399065	LX144123	Trinseo Materials T/L B	Trinseo S.A.	United States	Chemicals	Chemicals
EK3782175	XS1086778641	TWSSBS Float 07/15/19 Corp	Twin Set	Italy	General Retail	Textiles, Apparel and Luxury Goods
BL0444515	LX139895	Ufinet Telecom Holdings T/L	Pertento S.A.R.L	Spain	Telecommunications	Diversified Telecommunication Services
BL0321291	LX128280	Unifrax New Term Euro Loan	Unifrax Holding Co	United States	Packaging and Containers	Building Products
BL0360596	LX141580	Unit 4 T/L B1	Al Avocado Holding B.V	Netherlands	Computer and Electronics	Software
BL0403636	LX142370	United Biscuits Term Loan B2	United Biscuits Holdco Limited	United Kingdom	Food, Beverage and Tobacco	Food Products
BL0452807	LX153197	Verallia T/L B3	Verallia Group	France	Packaging and Containers	Containers and Packaging
JV8940480	XS1357678322	Veritas 7.5% 01/02/2023	Veritas US Inc.	United States	Business Services	IT Services
BL0414872	LX151041	Veritas Term Loan	Veritas US Inc.	United States	Business Services	IT Services
BL0406241	LX146620	Vistra 2nd Lien	Vistra Group Limited	Hong Kong	Banking and Finance	Diversified Financial Services
BL0446379	LX146618	Vistra Group (Stiphout) T/L B	Vistra Group Limited	Hong Kong	Banking and Finance	Diversified Financial Services
EJ7472784	XS0953085627	VUECIN 0 07/15/20	Vue Entertainment Holdings UK Ltd.	United Kingdom	Gaming, Leisure and Entertainment	Hotels, Restaurants and Leisure
EK5851887	XS1135437280	VUECIN FLT 7/15/20	Vougeot Bidco PLC	United Kingdom	Gaming, Leisure and Entertainment	Hotels, Restaurants and Leisure
BL0450553	LX161835	Wittur T/L B2	WITTUR GmbH	Germany	Industrial/Manufacturing	Machinery



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Security I.D.	ISIN/LoanX ID	Issuer/Facility	Obligor	Country	Fitch Industry Classification	S&P Industry Classification
EK2831023	XS1071440991	XELLA 0 06/01/19	Xella International SA	Germany	Buildings and Materials	Construction Materials

Totals: 116



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Current Asset Characteristics - Part III

Security I.D.	ISIN/LoanX ID	Issuer/Facility	Annual Obligation	Bridge Loan	Corporate Rescue Loan	Cov-Lite Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by PM
EK1778621	XS1028956909	AAFFP 5 5/8 04/15/19	-	-	-	-	-	-	-	-	-
BL0376725	LX137859	Alison T/L 2nd Lien (Alstom)	-	-	-	Yes	-	-	-	-	-
EK5894564	XS1137507239	Alize Finco PLC	-	-	-	-	-	-	-	-	-
BL0377103	LX137655	All 3 Media New Facility B	-	-	-	-	-	-	-	-	-
BL0403891	LX145174	Archroma T/L B	-	-	-	-	-	-	-	-	-
BL0435307	LX154407	Atos Medical	-	-	-	-	-	-	-	-	-
AL0700073	XS1517169899	Autodis fixed Rate notes 01/06/2022	-	-	-	-	-	-	-	-	-
AL0700735	XS1517169972	AUTODIS SA FRN 03/05/2022	-	-	-	-	-	-	-	-	-
BL0436289	LX159199	Beauty Holding T/L B15(formerly B8)	-	-	-	-	-	-	-	-	-
BL0436503	LX160534	Beauty Holding T/L B16 (formerly B9)	-	-	-	-	-	-	-	-	-
BL0436529	LX160535	Beauty Holding T/L B17(Formerly B10)	-	-	-	-	-	-	-	-	-
BL0436537	LX160536	Beauty Holding T/L B18 (formerly B11)	-	-	-	-	-	-	-	-	-
BL0436545	LX160537	Beauty Holding T/L B19(formerly B12)	-	-	-	-	-	-	-	-	-
BL0436552	LX160538	Beauty Holding T/L B20(formerly B13)	-	-	-	-	-	-	-	-	-
BL0436560	LX160539	Beauty Holding T/L B21(formerly B14)	-	-	-	-	-	-	-	-	-
BL0436958	LX154393	Bilfinger Term Loan B1 (Triangle FM Services	-	-	-	-	-	-	-	-	-
BL0348401	LX131858	BMC Software T/L (EUR)	-	-	-	-	-	-	-	-	-
BL0372237	LX137083	Car Trawler T/L B	-	-	-	-	-	-	-	-	-
BL0441982	LX155455	CBR SNR Term B3A Facility	-	-	-	-	-	-	-	-	-
BL0441990	LX155236	CBR SNR Term C3A Facility	-	-	-	-	-	-	-	-	-
BL0347288	LX132691	CeramTec T/L B-1	-	-	-	-	-	-	-	-	-
BL0360836	LX131516	CeramTec T/L B-2	-	-	-	-	-	-	-	-	-
BL0369332	LX135736	Ceva Sante Animale T/L B	-	-	-	-	-	-	-	-	-
BL0396947	LX143931	Charterhouse B1A3	-	-	-	-	-	-	-	-	-
BL0396954	LX144052	Charterhouse B1B3	-	-	-	-	-	-	-	-	-
BL0396970	LX143932	Charterhouse B1C3	-	-	-	-	-	-	-	-	-
BL0396962	LX144054	Charterhouse B1E3	-	-	-	-	-	-	-	-	-
BL0445124	LX155407	Chesapeake Term Loan C	-	-	-	-	-	-	-	-	-
BL0413296	LX148271	Concordia Healthcare T/L B	-	-	-	-	-	-	-	-	-
BL0393688	LX143296	Constantia Term loan B1	-	-	-	-	-	-	-	-	-
BL0397762	LX143893	Constantia Term loan B2	-	-	-	-	-	-	-	-	-
BL0382822	LX140097	Cool International Holding B1	-	-	-	-	-	-	-	-	-
BL0356719	LX133726	CPA Global T/L B	-	-	-	-	-	-	-	-	-
BL0387433	LX141055	Delachaux T/L B1 Amendment	-	-	-	-	-	-	-	-	-
BL0375016	LX137334	Deoleo 2nd Lien	-	-	-	Yes	-	-	-	-	-
BL0375008	LX137333	Deoleo Term Loan	-	-	-	Yes	-	-	-	-	-
EJ8932307	XS0985948255	DGGLN 0 11/15/19	-	-	-	-	-	-	-	-	-
BL0371304	LX136064	Eddie Stobart Term Loan B	-	-	-	-	-	-	-	-	-
BL0444002	LX155433	Eircom Holdings T/L B5	-	-	-	-	-	-	-	-	-
EJ9793526	XS0982712951	EMPARK 0 12/15/19	-	-	-	-	-	-	-	-	-
BL0380941	LX139559	Endemol GBP T/L (1st Lien)	-	-	-	-	-	-	-	-	-
BL0380925	LX139557	Endemol Euro T/L (1st Lien)	-	-	-	-	-	-	-	-	-
BL0375123	LX136869	ERM 2nd Lien	-	-	-	-	-	-	-	-	-
BL0373383	LX137157	ERM T/L B2	-	-	-	-	-	-	-	-	-
BL0442428	LX155290	Evry T/L B4	-	-	-	-	-	-	-	-	-
BL0400277	LX133459	Exopack T/L B-1	-	-	-	-	-	-	-	-	-
BL0462616		Famar T/L B New	-	-	-	-	-	-	-	-	-



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Security I.D.	ISIN/LoanX ID	Issuer/Facility	Annual Obligation	Bridge Loan	Corporate Rescue Loan	Cov-Lite Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by PM
BL0388761	LX141132	Fat Face Term Loan	-	-	-	-	-	-	-	-	-
BL0457525	LX157359	FCI Microconnections New 2nd Lien	-	-	-	-	-	-	-	-	-
BL0414666	LX149339	Financiere Holding Term Loan B2	-	-	-	-	-	-	-	-	-
BL0445181	LX155530	First Data 2021 New Euro Term Loan	-	-	-	-	-	-	-	-	-
BL0372997	LX136879	Flint Group TL 1L	-	-	-	-	-	-	-	-	-
BL0417594	LX149864	Flint Term Loan B4	-	-	-	-	-	-	-	-	-
BL0410607	LX147457	Galileo T/L B1	-	-	-	-	-	-	-	-	-
BL0414500	LX148875	Galileo T/L B2	-	-	-	-	-	-	-	-	-
BL0346918	LX128916	Gardner Denver T/L (EUR) (Renaissance Acq)	-	-	-	-	-	-	-	-	-
EK3223469	XS1078819726	Gates Global LLC Fixed 15.07.22	-	-	-	-	-	-	-	-	-
AL0882525	XS1516322465	GCLIM Float 15/11/21 Corp	-	-	-	-	-	-	-	-	-
BL0376352	LX138158	Giannoni T/L B (Sermeta) T/L B	-	-	-	-	-	-	-	-	-
BL0426405		Homair T/L C	-	-	-	-	-	-	-	-	-
QJ5442471	XS1318392864	ICBPI 8 1/4 05/30/21 Corp	-	-	-	-	-	-	-	Yes	-
QJ7076673	XS1318393839	ICBPI FLoat 05/30/21 Corp	-	-	-	-	-	-	-	Yes	-
EK3729952	XS1087775240	ICELTD FLOAT 07/15/20	-	-	-	-	-	-	-	-	-
BL0401978	LX144960	Iglo C1	-	-	-	-	-	-	-	-	-
BL0413064	LX148737	Innovation Group EUR Term Loan	-	-	-	-	-	-	-	-	-
BL0445553	LX155799	Inovyn Finance 2021 Tranche B EUR T/L	-	-	-	-	-	-	-	-	-
UV9969261	XS1298004612	Interoute Sr Sec Notes	-	-	-	-	-	-	-	-	-
JK9652245	XS1405784288	Kerlin 6 1/4 05/15/21	-	-	-	-	-	-	-	-	-
EK0958133	XS1040429455	KERNOS 0 03/01/21	-	-	-	-	-	-	-	-	-
EK0902917	XS1040428721	KERNOS 5 3/4 03/01/21	-	-	-	-	-	-	-	-	-
BL0445744	LX155813	Klockner Pentaplast Replacement GMBHJ Eur	-	-	-	-	-	-	-	-	-
BL0444200	LX155685	Klockner Pentaplast T/L (Replacement ERSTE	-	-	-	-	-	-	-	-	-
BL0427304	LX152521	Kuoni T/L B	-	-	-	-	-	-	-	-	-
AL1055311	XS1516322200	LABFP Float 07/01/22	-	-	-	-	-	-	-	-	-
BL0433302	LX153526	Logoplaste Term Loan	-	-	-	-	-	-	-	-	-
BL0380818	LX140009	Materis Chryso	-	-	-	-	-	-	-	-	-
BL0413239	LX148262	Median Kliniken T/L B1	-	-	-	-	-	-	-	-	-
BL0447914	LX156994	Mediq T/L B1	-	-	-	-	-	-	-	-	-
BL0381147	LX139951	Megadyne Tranche B1	-	-	-	-	-	-	-	-	-
BL0382285	LX139951	Megadyne Tranche B2	-	-	-	-	-	-	-	-	-
BL0399404	LX144528	MPG Holdco T/L B2 (Metaldyne)	-	-	-	-	-	-	-	-	-
BL0392383	LX142996	Northgate B GBP	-	-	-	-	-	-	-	-	-
BL0402646	LX145020	Optimal Payments Term Loan B	-	-	-	-	-	-	-	-	-
BL0381279	LX139695	Orion Engineered Term Loan	-	-	-	-	-	-	-	-	-
BL0342859	LX129945	Oxea T/L B-1	-	-	-	-	-	-	-	-	-
BL0383762	LX141220	Patheon 2015 Incremental Euro T/L	-	-	-	-	-	-	-	-	-
BL0361941	LX134989	Patheon Initial Term Loan	-	-	-	-	-	-	-	-	-
BL0402653	LX144818	Penn Engineering T/L C Incremental	-	-	-	-	-	-	-	-	-
EJ7674926	XS0956139264	PICSUR 0 08/01/19	-	-	-	-	-	-	-	-	-
BL0394926	LX143257	Pigments T/L B (Esmalglass)	-	-	-	-	-	-	-	-	-
BL0391484	LX142212	Prezzo Restaurants Term Loan	-	-	-	-	-	-	-	-	-
LW8188093	XS1454976801	SCHMAN Float 07/31/22 Corp	-	-	-	Yes	-	-	-	-	-
BL0452989	LX139399	Sebia T/L B3A	-	-	-	-	-	-	-	-	-
BL0452971	LX142742	Sebia T/L B3B	-	-	-	-	-	-	-	-	-



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Security I.D.	ISIN/LoanX ID	Issuer/Facility	Annual Obligation	Bridge Loan	Corporate Rescue Loan	Cov-Lite Loan	Current Pay Obligation	Revolving Obligation	Delayed Drawdown Obligation	PIK Security	Market Value Determined by PM
BL0450421	LX158054	Signode Industrial T/L B2	-	-	-	-	-	-	-	-	-
BL0426223	LX152444	Solenis Add-on T/L	-	-	-	-	-	-	-	-	-
BL0377871	LX138124	Solenis Term Loan	-	-	-	-	-	-	-	-	-
BL0395576	LX143524	Springer Science T/L B8	-	-	-	-	-	-	-	-	-
BL0394496	LX143312	Survitec EUR Term Loan	-	-	-	-	-	-	-	-	-
BL0415457	LX149082	Swissport Investments T/L B	-	-	-	-	-	-	-	-	-
BL0429540	LX152547	Tipico EUR T/L	-	-	-	-	-	-	-	-	-
BL0399065	LX144123	Trinseo Materials T/L B	-	-	-	-	-	-	-	-	-
EK3782175	XS1086778641	TWSSBS Float 07/15/19 Corp	-	-	-	-	-	-	-	-	-
BL0444515	LX139895	Ufinet Telecom Holdings T/L	-	-	-	-	-	-	-	-	-
BL0321291	LX128280	Unifrax New Term Euro Loan	-	-	-	Yes	-	-	-	-	-
BL0360596	LX141580	Unit 4 T/L B1	-	-	-	-	-	-	-	-	-
BL0403636	LX142370	United Biscuits Term Loan B2	-	-	-	-	-	-	-	-	-
BL0452807	LX153197	Verallia T/L B3	-	-	-	-	-	-	-	-	-
JV8940480	XS1357678322	Veritas 7.5% 01/02/2023	-	-	-	-	-	-	-	-	-
BL0414872	LX151041	Veritas Term Loan	-	-	-	-	-	-	-	-	-
BL0406241	LX146620	Vistra 2nd Lien	-	-	-	-	-	-	-	-	-
BL0446379	LX146618	Vistra Group (Stiphout) T/L B	-	-	-	-	-	-	-	-	-
EJ7472784	XS0953085627	VUECIN 0 07/15/20	-	-	-	-	-	-	-	-	-
EK5851887	XS1135437280	VUECIN FLT 7/15/20	-	-	-	-	-	-	-	-	-
BL0450553	LX161835	Wittur T/L B2	-	-	-	-	-	-	-	-	-
EK2831023	XS1071440991	XELLA 0 06/01/19	-	-	-	-	-	-	-	-	-

Totals: 116



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Fitch CCC Obligations and S&P CCC Obligations

Security I.D.	Security Name	Fitch Rating	S&P Rating	Principal Balance	Market Value	Fitch vs. S&P	Principal Balance for CCC Excess	% of ACB
BL0441982	CBR SNR Term B3A Facility	Private	Private	511,742.89	86.0570	Fitch	511,742.89	0.1693%
BL0441990	CBR SNR Term C3A Facility	Private	Private	954,975.80	86.0570	Fitch	954,975.80	0.3160%
BL0375016	Deoleo 2nd Lien	Private	B-	375,000.00	55.0000	Fitch	375,000.00	0.1241%
BL0375008	Deoleo Term Loan	Private	B-	2,625,000.00	73.3180	Fitch	2,625,000.00	0.8687%
BL0462616	Famar T/L B New	Private	Private	1,052,676.04	40.0000	Fitch	1,052,676.04	0.3483%
BL0388761	Fat Face Term Loan	Private	Private	129,887.53	85.0000	Fitch	129,887.53	0.0430%

Totals:	6			5,649,282.26			5,649,282.26	1.8700%
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Defaulted Obligations and Deferring Securities

Security I.D.	Security Name	Date of Event	No. of Days	Principal Balance	Fitch Recovery Rate	S&P Recovery Rate	Market Value	Fitch Collateral Value	S&P Collateral Value	Calculation Amount
Sub Total:		0								

Totals:	0	0.00								0.00
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CDO Trust Services
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Harvest CLO VII DAC

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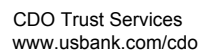
Discount and Swapped Non-Discount Obligations

Security I.D.	Security Name	Purchase Date	Principal Balance	Purchase Price	Calculation Amount	% of ACB
Sub Total:		0				

Totals:	0		0.00		0.00	0.00 %
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Collateral Enhancement Obligations and Exchanged Securities

Security I.D.	Security Name	Asset Type	Number of Units	Principal Balance
Totals:	0			



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Current Payment: 12-Apr-17

Participation Information

Payment Date Report - 4/10/2017 4:52:53AM © 2011 U.S. Bancorp

Restructured Obligations - Additions

Security I.D.	Security Name	Obligor Name	Restructuring Date	Asset Type	Par Amount	Maturity Date
Totals:						0

Restructured Obligations - Removals

Security I.D.	Security Name	Obligor Name	Restructuring Date	Asset Type	Par Amount	Maturity Date
Total:					0	



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Rating Detail

Security I.D.	Security Name	Fitch Rating				S&P Rating			
		Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status
EK1778621	AAFFP 5 5/8 04/15/19	-	-	-	P	B	B	B	
BL0376725	Alison T/L 2nd Lien (Alstom)	-	-	-	P	B	B	B	
EK5894564	Alize Finco PLC	-	-	-	P	B+	B+	B+	
BL0377103	All 3 Media New Facility B	-	-	-	P	B-	B	B	
BL0403891	Archroma T/L B	-	-	-	P	B	B	B	
BL0436289	Beauty Holding T/L B15(formerly B8)	-	-	-	P	B	B	B	
BL0436503	Beauty Holding T/L B16 (formerly B9)	-	-	-	P	B	B	B	
BL0436529	Beauty Holding T/L B17(Formerly B10)	-	-	-	P	B	B	B	
BL0436537	Beauty Holding T/L B18 (formerly B11)	-	-	-	P	B	B	B	
BL0436545	Beauty Holding T/L B19(formerly B12)	-	-	-	P	B	B	B	
BL0436552	Beauty Holding T/L B20(formerly B13)	-	-	-	P	B	B	B	
BL0436560	Beauty Holding T/L B21(formerly B14)	-	-	-	P	B	B	B	
BL0348401	BMC Software T/L (EUR)	-	-	-	P	B+	B	B	
BL0347288	CeramTec T/L B-1	-	-	-	P	B	B	B	
BL0360836	CeramTec T/L B-2	-	-	-	P	B	B	B	
BL0445124	Chesapeake Term Loan C	-	-	-	P	B+	BB-	BB-	CW+
BL0413296	Concordia Healthcare T/L B	-	-	-	P	B	B-	B-	
BL0393688	Constantia Term loan B1	-	-	-	P	B+	B+	B+	
BL0397762	Constantia Term loan B2	-	-	-	P	B+	B+	B+	
BL0356719	CPA Global T/L B	-	-	-	P	B	B	B	
BL0387433	Delachaux T/L B1 Amendment	-	-	-	P	B+	B+	B+	
BL0375016	Deoleo 2nd Lien	-	-	-	P	B	B-	B-	
BL0375008	Deoleo Term Loan	-	-	-	P	B	B-	B-	
EJ8932307	DGGLN 0 11/15/19	-	-	-	P	B	B	B	
BL0444002	Eircom Holdings T/L B5	B	B+	B+		B	B+	B+	
EJ9793526	EMPARK 0 12/15/19	-	-	-	P	BB-	BB	BB	
BL0380941	Endemol GBP T/L (1st Lien)	-	-	-	P	B	B-	B-	
BL0380925	Endemol Euro T/L (1st Lien)	-	-	-	P	B	B-	B-	
BL0373383	ERM T/L B2	-	-	-	P	B	B	B	
BL0400277	Exopack T/L B-1	-	-	-	P	B	B	B	
BL0445181	First Data 2021 New Euro Term Loan	B	B+	B+		B+	B+	B+	
BL0372997	Flint Group TL 1L	-	-	-	P	B	B	B	
BL0417594	Flint Term Loan B4	-	-	-	P	B+	B	B	
BL0346918	Gardner Denver T/L (EUR) (Renaissance Acquisition)	-	-	-	P	B	B	B	
EK3223469	Gates Global LLC Fixed 15.07.22	-	-	-	P	B+	B+	B+	
AL0882525	GCLIM Float 15/11/21 Corp	-	-	B-		B	B	B	
EK3729952	ICELTD FLOAT 07/15/20	-	-	-	P	B+	B	B	
BL0401978	Iglo C1	-	-	-	P	B+	BB-	BB-	

Asset Status Legend:

N - Notched / Implied Rating
P - Private Rating
S - Shadow Rating

CW- - Credit Watch with negative implications
CW+ - Credit Watch with positive implications
DEF - In Default



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Rating Detail

Security I.D.	Security Name	Fitch Rating				S&P Rating			
		Acquisition	Previous	Current	Status	Acquisition	Previous	Current	Status
BL0445553	Inovyn Finance 2021 Tranche B EUR T/L	-	-	-	P	B	B	B	
UV9969261	Interoute Sr Sec Notes	-	-	-	P	B+	B+	B+	
JK9652245	Kerlin 6 1/4 05/15/21	-	-	-	P	B	B	B	
EK0958133	KERNOS 0 03/01/21	-	-	B		B+	BB-	BB-	CW+
EK0902917	KERNOS 5 3/4 03/01/21	-	-	-	P	B+	BB-	BB-	CW+
BL0445744	Klockner Pentaplast Replacement GMBHJ Euro T/L	-	-	-	P	B	B	B	
BL0444200	Klockner Pentaplast T/L (Replacement ERSTE Euro)	-	-	-	P	B	B	B	
AL1055311	LABFP Float 07/01/22	B	B	B		B+	B+	B+	
BL0399404	MPG Holdco T/L B2 (Metaldyne)	-	-	-	P	BB-	BB-	BB-	
BL0402646	Optimal Payments Term Loan B	-	-	-	P	BB	BB	BB	
BL0381279	Orion Engineered Term Loan	-	-	-	P	B+	BB-	BB-	
BL0342859	Oxea T/L B-1	-	-	-	P	BB-	B	B	
BL0383762	Patheon 2015 Incremental Euro T/L	-	-	-	P	B	B	B	
BL0361941	Patheon Initial Term Loan	-	-	-	P	B+	B	B	
BL0402653	Penn Engineering T/L C Incremental	-	-	-	P	B+	B+	B+	
EJ7674926	PICSUR 0 08/01/19	B+	B	B		B+	B+	B+	
BL0394926	Pigments T/L B (Esmalglass)	-	-	-	P	B+	B+	B+	
LW8188093	SCHMAN Float 07/31/22 Corp	-	-	-	P	B+	B+	B+	
BL0450421	Signode Industrial T/L B2	-	-	-	P	B	B	B	
BL0426223	Solenis Add-on T/L	-	-	-	P	B	B	B	
BL0377871	Solenis Term Loan	-	-	-	P	B	B	B	
BL0415457	Swissport Investments T/L B	-	-	-	P	B	B	B	
BL0399065	Trinseo Materials T/L B	-	-	-	P	B	B+	BB-	
BL0321291	Unifrax New Term Euro Loan	-	-	-	P	B	B	B	
BL0360596	Unit 4 T/L B1	-	-	-	P	B	B	B	
BL0403636	United Biscuits Term Loan B2	-	-	-	P	B+	B+	B+	
BL0452807	Verallia T/L B3	-	-	-	P	B	B	B	
EJ7472784	VUECIN 0 07/15/20	B	B	B		B	B	B	
EK5851887	VUECIN FLT 7/15/20	-	-	-	P	B	B	B	
EK2831023	XELLA 0 06/01/19	-	-	B+		B+	B+	B+	

Totals: 68

Asset Status Legend:

N - Notched / Implied Rating
P - Private Rating
S - Shadow Rating

CW- - Credit Watch with negative implications
CW+ - Credit Watch with positive implications
DEF - In Default



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As Of: 03-Apr-17
Current Payment: 12-Apr-17

Rating Change History

Security ID	Security Name	Fitch				S & P			
		Prior	Curr	Date	Action	Prior	Curr	Date	Action
BL0399065	Trinseo Materials T/L B					B+	BB-	14-Mar-17	UPG

Totals: 1



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Harvest CLO VII DAC

As Of: 03-Apr-17
Current Payment: 12-Apr-17

Rating Change History - Private

Security ID	Security Name	Fitch				S & P			
		Prior	Prior Date	Curr	Curr Date	Prior	Prior Date	Curr	Curr Date
BL0462616	Famar T/L B New					Private	22-Sep-16	Private+6	14-Mar-17

Totals: 1

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Asset Swap Transactions

Issuer / Obligor	Counterparty	Currency	FX Rate	Notional Amount (CCY)	Notional Amount (EUR)
Alison T/L 2nd Lien (Alstom)	JP Morgan	USD	0.77400	500,000.00	387,000.00
All 3 Media New Facility B	JP Morgan	GBP	1.24800	2,166,700.00	2,704,000.00
Endemol GBP T/L (1st Lien)	JP Morgan	GBP	1.24850	1,462,500.00	1,825,931.25
Northgate B GBP	JP Morgan	GBP	1.39000	2,000,000.00	2,780,000.00
Concordia Healthcare T/L B	JP Morgan	GBP	1.36200	2,346,200.00	3,195,583.99
ERM 2nd Lien	JP Morgan	USD	0.72700	1,000,000.00	727,000.00
Fat Face Term Loan	JP Morgan	GBP	1.26020	103,100.00	129,887.53
DGGLN 0 11/15/19	JP Morgan	GBP	1.20411	2,363,000.00	2,845,308.00
Eddie Stobart Term Loan B	JP Morgan	GBP	1.21750	1,692,400.00	2,060,533.29
Prezzo Restaurants Term Loan	JP Morgan	GBP	1.35000	1,500,000.00	2,025,000.00
ICELTD FLOAT 07/15/20	JP Morgan	GBP	1.25400	2,000,000.00	2,508,000.00
Trinseo Materials T/L B	JP Morgan	USD	0.88900	517,100.00	459,706.58

Total:	12	21,647,950.64
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Hedge Counterparty Ratings

Nbr	Counterparty	Counterparty Role	Fitch						S&P					
			Short-term	Min	Result	Long-term	Min	Result	Short-term	Min	Result	Long-term	Min	Result
1	Elavon Financial Services DAC	Agent Bank	F1+	F1	PASS	-	A	N/A	A-1+	A-1	PASS	-	A	N/A
2	Elavon Financial Services DAC	Custodian	F1+	F1	PASS	-	A	N/A	A-1+	A-1	PASS	-	A	N/A
3	Elavon Financial Services DAC	Paying Agent	F1+	F1	PASS	-	A	N/A	A-1+	A-1	PASS	-	A	N/A
4	JP Morgan Securities Ltd	Asset Swap Counterparty	F1+	F1	PASS	AA-	A	PASS	A-1	A-1	PASS	A+	A	PASS

Totals: 4

Stratifications - Countries

(Excluding Cash & Eligible Investments)

Country	# of Assets	Principal Balance	% of Aggregate Principal Balance
United Kingdom	23	59,494,772.06	24.15 %
France	21	43,864,332.42	17.81 %
Germany	28	42,123,440.86	17.10 %
U.S.	12	31,432,755.51	12.76 %
Netherlands	6	14,259,586.00	5.79 %
Italy	7	12,871,000.00	5.23 %
Spain	5	12,157,659.81	4.94 %
Switzerland	3	7,171,243.33	2.91 %
Austria	3	6,312,128.86	2.56 %
Luxembourg	2	5,761,355.91	2.34 %
Norway	1	3,000,000.00	1.22 %
Ireland	1	2,681,523.48	1.09 %
Sweden	1	2,133,333.33	0.87 %
Portugal	1	1,999,999.99	0.81 %
Hong Kong	2	1,051,309.44	0.43 %
Total	116	246,314,441.00	100.00 %



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Stratifications - Obligors (10 Largest)

(Excluding Cash & Eligible Investments)

Obligor	# of Assets	Principal Balance	% of Aggregate Principal Balance
Inovyn Finance PLC	2	6,984,421.71	2.84 %
Xella International SA	1	5,930,000.00	2.41 %
Optimal Payments Plc	1	5,883,333.33	2.39 %
Gardner Denver, Inc.	1	5,859,389.17	2.38 %
BMC U.S. Co	1	5,519,110.15	2.24 %
First Data Corporation	1	5,435,935.41	2.21 %
Veritas US Inc.	2	5,406,451.62	2.19 %
Ceva Sante Animale	1	5,023,320.90	2.04 %
United Biscuits Holdco Limited	1	4,585,265.84	1.86 %
DPX Holdings B.V	2	4,458,654.75	1.81 %

Totals:	13	55,085,882.88	22.36%
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Harvest CLO VII DAC

As Of: 03-Apr-17
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www.usbank.com/cdo**Stratifications - Industries**

(Excluding Cash & Eligible Investments)

Distribution of Fitch Industry Classification

Industry	# of Assets	Principal Balance	% of Agg. Prin. Bal.
Automobiles	5	7,493,333.33	3.04 %
Banking and Finance	7	13,939,596.15	5.66 %
Broadcasting and Media	4	9,529,931.23	3.87 %
Buildings and Materials	4	9,671,398.37	3.93 %
Business Services	11	31,842,829.01	12.93 %
Chemicals	11	28,697,119.81	11.65 %
Computer and Electronics	4	12,160,821.31	4.94 %
Consumer Products	2	2,105,263.16	0.85 %
Food and Drug Retail	1	2,508,000.00	1.02 %
Food, Beverage and Tobacco	5	12,261,061.22	4.98 %
Gaming, Leisure and Entertainment	5	11,574,101.27	4.70 %
General Retail	12	9,528,718.16	3.87 %
Healthcare	6	14,192,248.41	5.76 %
Industrial/Manufacturing	9	14,679,328.28	5.96 %
Lodging and Restaurants	2	2,855,000.00	1.16 %
Packaging and Containers	12	28,176,453.18	11.44 %
Pharmaceuticals	5	13,730,235.68	5.57 %
Real Estate	1	2,000,000.00	0.81 %
Telecommunications	3	7,834,784.92	3.18 %
Transportation and Distribution	3	7,534,217.50	3.06 %
Utilities (Power)	4	4,000,000.01	1.62 %
Total	116	246,314,441.00	100.00 %

Distribution of S&P Industry Classification

Industry	# of Assets	Principal Balance	% of Agg. Prin. Bal.
Aerospace and Defense	1	2,756,756.76	1.12 %
Air Freight and Logistics	2	3,534,217.50	1.43 %
Auto Components	4	6,193,333.33	2.51 %
Building Products	1	489,067.83	0.20 %
Chemicals	10	26,697,119.81	10.84 %
Commercial Services and Supplies	1	2,780,000.00	1.13 %
Construction Materials	5	11,671,398.37	4.74 %
Containers and Packaging	10	24,930,628.59	10.12 %
Distributors	1	1,834,101.27	0.74 %
Diversified Consumer Services	3	4,105,263.16	1.67 %
Diversified Financial Services	6	16,541,578.18	6.72 %
Diversified Telecommunication Services	3	7,834,784.92	3.18 %
Electrical Equipment	1	1,951,017.75	0.79 %
Energy Equipment and Services	1	5,859,389.17	2.38 %
Food and Staples Retailing	1	2,508,000.00	1.02 %
Food Products	5	12,261,061.22	4.98 %
Healthcare Equipment and Supplies	6	10,663,339.45	4.33 %
Healthcare Providers and Services	2	5,028,898.96	2.04 %
Hotels, Restaurants and Leisure	4	7,355,000.00	2.99 %
Industrial Conglomerates	2	3,168,243.23	1.29 %
Insurance	2	6,717,286.71	2.73 %
IT Services	3	8,406,451.62	3.41 %
Leisure Products	2	5,240,000.00	2.13 %
Life Sciences Tools and Services	2	4,458,654.75	1.81 %
Machinery	5	5,451,705.88	2.21 %
Media	4	9,529,931.23	3.87 %
Multi-Utilities	4	4,000,000.01	1.62 %
Pharmaceuticals	3	9,271,580.93	3.76 %
Professional Services	4	7,386,090.90	3.00 %



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Stratifications - Industries

(Excluding Cash & Eligible Investments)

Road and Rail	1	4,000,000.00	1.62 %
Software	3	10,519,110.15	4.27 %
Speciality Retail	8	4,432,111.94	1.80 %
Technology Hardware, Storage and Perip	1	641,711.16	0.26 %
Textiles, Apparel and Luxury Goods	4	5,096,606.22	2.07 %
Transportation Infrastructure	1	3,000,000.00	1.22 %
Total	116	246,314,441.00	100.00 %



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Risk Retention

Confirmation

The Collateral Administrator has received written confirmation from the Retention Holder that:

- (i) it continues to hold Subordinated Notes with a Principal Amount Outstanding as of the Issue Date representing not less than 5 per cent. of the Aggregate Collateral Balance (the "Retention"); and
- (ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with Article 122a.

No actual or potential Retention Deficiency has prohibited the Portfolio Manager from reinvesting in any Collateral Debt Obligations since the previous Payment Date.

Retention Detail

(i) Principal Amount Outstanding as of the Issue Date of the Subordinated Notes held by the Retention Holder	18,900,000.00
(ii) Principal Amount Outstanding as of the date of issuance of any additional Subordinated Notes held by the Retention Holder	0.00
Aggregate principal amount held by the Retention Holder:	18,900,000.00

Retention Requirement

Aggregate Collateral Balance for the purposes of the compliance by the Retention Holder with Article 122a	302,191,902.52
Aggregate principal amount held by the Retention Holder (expressed as a percentage of the Aggregate Collateral Balance)	6.25%
Minimum Requirement	5.00%
Retention Deficiency:	0.00%

Trading Gains

Trading Gains paid into the Interest Account since the previous Payment Date pursuant to the Conditions	0.00
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Disclaimer

This report is for the purposes of information only. Certain information included in this report is estimated, approximated or projected and it is provided without any representations or warranties as to its accuracy or completeness and none of the Collateral Administrator, the Trustee, the Issuer or the Portfolio Manager will have any liability for estimates, approximations or projections contained herein.

In Schedule 11 (S&P Minimum Weighted Average Recovery Rate Test) of the Portfolio Management Agreement dated 12 September 2013 between, amongst others, the Issuer, the Portfolio Manager and the Collateral Administrator (the "PMA"), the "S&P Recovery Rate" is defined as "...an S&P Recovery Rate determined pursuant to schedule 23 (S&P Recovery Rates) or as advised by S&P".

On 1 August 2014, S&P published a press release entitled "Update To Global Methodologies And Assumptions For Corporate Cash Flow And Synthetic CDOs" advising of changes to the S&P Recovery Rate methodology, which became effective on 1 August 2014 (the "Revised S&P Recovery Rate Methodology"). With effect from 1 September 2014, the Portfolio Manager has instructed the Collateral Administrator to use the Revised S&P Recovery Rate Methodology to calculate the S&P Minimum Weighted Average Recovery Rate Test, instead of the S&P Recovery Rate methodology contained in schedule 23 (S&P Recovery Rate) of the PMA.

U.S. Bank Global Corporate Trust Services is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), registered in Ireland with the Companies Registration Office, Reg. No. 418442.

The liability of the member is limited. United Kingdom branch registered in England and Wales under the number BR009373. Authorised by the Central Bank of Ireland.

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