

## IMPORTANT NOTICE

**THIS DOCUMENT IS AVAILABLE ONLY (1) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (“SECURITIES ACT”)); AND (2) WITHIN THE UNITED STATES TO PERSONS AND OUTSIDE THE UNITED STATES TO U.S. PERSONS (AS SUCH TERM IS DEFINED IN REGULATION S (“U.S. PERSONS”)), IN EACH CASE, WHO ARE BOTH QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT) IN RELIANCE ON RULE 144A AND QUALIFIED PURCHASERS (“QPs”) FOR THE PURPOSES OF SECTION 3(C)(7) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A). EACH PURCHASER OF THE REFINANCING NOTES (AS DEFINED HEREIN) IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH BELOW AND UNDER “*PLAN OF DISTRIBUTION*” IN THIS OFFERING CIRCULAR AND “*TRANSFER RESTRICTIONS*” IN THE 2014 OFFERING CIRCULAR (AS DEFINED BELOW). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THE REFINANCING NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE REFINANCING NOTES ARE SUBJECT TO OTHER RESTRICTIONS ON TRANSFERABILITY AND RESALE AS SET FORTH IN “*PLAN OF DISTRIBUTION*” IN THIS OFFERING CIRCULAR AND “*TRANSFER RESTRICTIONS*” IN THE 2014 OFFERING CIRCULAR.**

**IMPORTANT:** You must read the following before continuing. The following disclaimer applies to the document attached to this electronic transmission (the “**document**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them at any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE REFINANCING NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE REFINANCING NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED WITHIN THE UNITED STATES TO PERSONS UNLESS SUCH PERSONS ARE BOTH QIBs AND QPs, IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of Your Representation:** In order to be eligible to view this document or make an investment decision with respect to the securities, investors must either be (i) U.S. persons that are QIBs that are also QPs or (ii) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This document is being

sent at your request and by accepting the e-mail and accessing the document, you shall be deemed to have confirmed and represented to us that (i) you have understood and agree to the terms set out herein, (ii) you consent to delivery of the document by electronic transmission, (iii) you and any customers you represent are either (x) both QIBs and QPs or (y) not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (iv) 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, (v) if you are a person in the United Kingdom who is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the “**FPO**”) or otherwise a person falling within an exemption set out in the Order so that Section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer and (vi) if you are a person in a member state of the European Economic Area (“**EEA**”) other than the United Kingdom, you are a person who is a “qualified investor” within the meaning of Article 2(1)(e) of EU Directive 2003/71/EC (as amended).

This document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither BNP Paribas nor CVC Cordatus Loan Fund IV Designated Activity Company (the “**Issuer**”) nor any person who controls any of them respectively (nor 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 BNP Paribas or the Issuer.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, account or other financial adviser.

DISTRIBUTION OF THE DOCUMENT TO ANY PERSONS OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR BNP PARIBAS AND THEIR RESPECTIVE AGENTS, AND ANY PERSONS RETAINED TO ADVISE THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR BNP PARIBAS IS UNAUTHORISED. ANY PHOTOCOPYING, DISCLOSURE OR ALTERATION OF THE CONTENTS OF THE DOCUMENT, AND ANY FORWARDING OF A COPY OF THE DOCUMENT OR ANY PORTION THEREOF BY ELECTRONIC MAIL OR ANY OTHER MEANS TO ANY PERSON OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR BNP PARIBAS IS PROHIBITED. BY ACCEPTING DELIVERY OF THIS DOCUMENT, THE RECIPIENT AGREES TO THE FOREGOING.

## CVC CORDATUS LOAN FUND IV DESIGNATED ACTIVITY COMPANY

*(Registered as a designated activity company limited by shares in Ireland with limited liability under registered number 543295)*

Refinancing Notes	Initial Principal Amount	Issue Price <sup>1</sup>	Stated Interest Rate <sup>2</sup>	Final Maturity Date	Moody's <sup>3</sup> Rating <sup>4</sup>	Fitch <sup>5</sup> Rating <sup>6</sup>	Accrued Interest Amount <sup>7</sup>
A	€225,400,000	100%	EURIBOR + 0.78%	January 2028	Aaa(sf)	AAAsf	€563,500
B-1	€22,600,000	100%	EURIBOR + 1.30%	January 2028	Aa2(sf)	AAsf	€90,400
B-2	€24,000,000	100%	2.00%	January 2028	Aa2(sf)	AAsf	€130,080
C	€24,900,000	100%	EURIBOR + 2.05%	January 2028	A2(sf)	Asf	€144,420
D	€18,600,000	100%	EURIBOR + 3.00%	January 2028	Baa2(sf)	BBBsf	€137,640

This Offering Circular incorporates the final Offering Circular dated 11 December 2014 (the "**2014 Offering Circular**") relating to the Original Notes (defined below) and this Offering Circular will take precedence to the extent of any inconsistencies between this Offering Circular and the 2014 Offering Circular. Capitalised terms used herein and not otherwise defined shall have the meanings given to such terms in the 2014 Offering Circular. The 2014 Offering Circular is attached hereto as Annex A.

The assets securing the Notes will consist of a portfolio of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Mezzanine Obligations and High Yield Bonds managed by CVC Credit Partners Group Limited (the "**Collateral Manager**").

On 17 December 2014 (the "**Original Closing Date**") CVC Cordatus Loan Fund IV Designated Activity Company (the "**Issuer**") issued the Class A Notes (the "**Original Class A Notes**"), the Class B-1 Notes (the "**Original Class B-1 Notes**"), the Class B-2 Notes (the "**Original Class B-2 Notes**"), the Class C Notes (the "**Original Class C Notes**"), the Class D Notes (the "**Original Class D Notes**") and together with the Original Class A Notes, the Original Class B-1 Notes, the Original Class B-2 Notes and the Original Class C Notes, the

<sup>1</sup> The Placement Agent may offer the Notes at other prices as may be negotiated at the time of sale.

<sup>2</sup> Applicable at all times other than in respect of part of the Initial Accrual Period, being the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, when the applicable margin percentage will be at a higher margin equal to the Margin on the corresponding Class of Refinanced Notes.

<sup>3</sup> Moody's Investors Service Ltd is established in the EU and is registered under Regulation (EC) No 1060/2009.

<sup>4</sup> The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes and the Class D Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by Moody's.

<sup>5</sup> Fitch Ratings Limited is established in the EU and is registered under Regulation (EC) No 1060/2009.

<sup>6</sup> The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes and the Class D Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Refinancing Notes and may be subject to revision, suspension or withdrawal at any time by Fitch.

<sup>7</sup> As the Refinancing Date will occur on a Business Day which is not a Payment Date, interest on the Refinancing Notes payable on the first Payment Date following the Refinancing Date shall represent interest accrued on the Refinancing Notes for the entire Initial Accrual Period, which will commence on the Payment Date immediately prior to the Refinancing Date. Consequently, the initial offer price of the Refinancing Notes will be an issue price of 100% plus the Accrued Interest Amount. Interest in respect of the period from, and including, the Payment Date immediately prior to the Refinancing Date to, but excluding, the Refinancing Date shall accrue at a rate equal to the interest rate on the corresponding Class of Refinanced Notes.

"**Refinanced Notes**"), the Class E Notes and the Class F Notes (the Refinanced Notes, the Class E Notes and the Class F Notes, the "**Original Rated Notes**" and, together with the Subordinated Notes, are collectively referred to herein as the "**Original Notes**"). The Original Notes were issued and secured pursuant to a trust deed dated on or about 17 December 2014 (the "**Original Issue Date**"), made between (amongst others) the Issuer and BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee (the "**Trustee**").

On or about 5 April 2017 (the "**Refinancing Date**" and, with respect to the Refinanced Notes, the "**Redemption Date**") the Issuer will, subject to certain conditions, refinance the Original Class A Notes, the Original Class B-1 Notes, the Original Class B-2 Notes, the Original Class C Notes and the Original Class D Notes by issuing €225,400,000 Class A Senior Secured Floating Rate Note due 2028 (the "**Class A Notes**"), the €22,600,000 Class B-1 Senior Secured Floating Rate Notes due 2028 (the "**Class B-1 Notes**"), the €24,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2028 (the "**Class B-2 Notes**" and together with the Class B-1 Notes, the "**Class B Notes**"), the €24,900,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class C Notes**"), the €18,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028 (the "**Class D Notes**" and together with the Class A Notes, the Class B-1 Notes, the Class B-2 Notes and the Class C Notes, the "**Refinancing Notes**" and, together with the Class E Notes, the Class F Notes, the "**Rated Notes**" and the Rated Notes, together with the Subordinated Notes, the "**Notes**").

The Refinancing Notes will be issued and secured pursuant to a Deed of Amendment (the "**Deed of Amendment**") dated on or about 5 April 2017 (the "**Issue Date**"), made between (amongst others) the Issuer and the Trustee.

Interest on the Refinancing Notes will be payable in arrear on 22 January and 22 July (or, if such day is not a Business Day (as defined in the 2014 Offering Circular), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 22 July 2017 and ending on the Maturity Date (as defined in the 2014 Offering Circular) in accordance with the Priorities of Payments described in the 2014 Offering Circular.

As the Refinancing Date will occur on a Business Day which is not a Payment Date, interest on the Refinancing Notes payable on the first Payment Date following the Refinancing Date shall represent interest accrued on the Refinancing Notes for the entire Initial Accrual Period, which will commence on the Payment Date immediately prior to the Refinancing Date. Consequentially, the initial offer price of the Refinancing Notes shall include an amount (the "**Accrued Interest Amount**") equal to interest accrued on the Refinancing Notes in respect of the period up to but excluding the Refinancing Date.

The Refinancing Notes will be subject to Optional Redemption and Mandatory Redemption and Special Redemption, each as described herein and in the 2014 Offering Circular. See Condition 7 (*Redemption and Purchase*).

See the section entitled "*Risk Factors*" in the 2014 Offering Circular, and as supplemented in the section entitled "*Risk Factors*" herein for a discussion of certain factors to be considered in connection with an investment in the Refinancing Notes.

This Offering Circular has been approved by the Central Bank of Ireland (the "Central Bank"), as competent authority under Directive 2003/71/EC (as amended, the "Prospectus Directive"). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List (the "Official List") and trading on the regulated market of the Irish Stock Exchange (the "Main Securities Market"). Such approval relates only to the Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (as amended) and/or which are to be offered to the public in any Member State of the European Economic Area. There can be no assurance that any such listing approval will be granted or, if granted, that such listing and admission to trading will be maintained. This Offering Circular constitutes a "prospectus" for the purposes of the Prospectus Directive and will be made available from the website of the Central Bank and will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Directive 2003/71/EC Regulations 2005 (as amended) of Ireland.

The Refinancing Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Refinancing Notes following a Note Event of Default (as defined herein) may be insufficient to pay all amounts due to the Noteholders (as defined herein) after making payments to other creditors of the Issuer ranking prior thereto or paripassu therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Irish Account and the rights of the Issuer under the Corporate Services Agreement (each as defined herein)) of the Issuer will not be available for payment of such shortfall, all claims in respect of which shall be extinguished. See Condition 4 (*Security*).

The Refinancing Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and will be offered only: (a) outside the United States to non-U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S (“**U.S. Persons**”)), in each case, who are both qualified institutional buyers (as defined in Rule 144A (“**Rule 144A**”) under the Securities Act) in reliance on Rule 144A and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Neither the Issuer, the Collateral Manager nor the Sub-Manager will 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*” in this Offering Circular and “*Transfer Restrictions*” in the 2014 Offering Circular.

The Refinancing Notes are being offered by the Issuer through BNP Paribas in its capacity as initial purchaser of the offering of such Refinancing Notes (the “**Initial Purchaser**”) subject to prior sale, when, as and if delivered to and accepted by the Initial Purchaser, and to certain conditions. It is expected that delivery of the Refinancing Notes will be made on or about the Issue Date. It is a condition of the Refinancing Notes that all of the Refinancing Notes are issued concurrently.

The date of this Prospectus is 4 April 2017

*Sole Arranger and Initial Purchaser*

**BNP Paribas**

*The Issuer accepts responsibility for the information contained in this offering circular (the "**Offering Circular**") and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this Offering Circular headed "Risk Factors - Certain Conflicts of Interest - Collateral Manager" and "The Collateral Manager". To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Sub-Manager accepts responsibility for the information contained in the section of this Offering Circular headed "The Sub-Manager". To the best of the knowledge and belief of the Sub-Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Bank of New York Mellon, SA/NV, Dublin Branch accepts responsibility for the information contained in the section of this prospectus headed "The Collateral Administrator". To the best of the knowledge and belief of The Bank of New York Mellon, SA/NV, Dublin Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bank of New York Mellon, London Branch accepts responsibility for the information contained in the section of this prospectus headed "Liquidity Facility Provider". To the best of the knowledge and belief of The Bank of New York Mellon, London Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Retention Holder accepts responsibility for the information contained in the section of this prospectus headed "The Retention Holder and Retention Requirements – Description of the Retention Holder" and "The Retention Holder and Retention Requirements – Origination of Collateral Debt Obligations". To the best of the knowledge and belief of the Retention Holder (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Except for the sections of this Offering Circular headed "Risk Factors - Certain Conflicts of Interest - Collateral Manager" and "The Collateral Manager", in the case of the Collateral Manager, "The Sub-Manager", in the case of the Sub-Manager, "The Collateral Administrator", in the case of the Collateral Administrator, "The Liquidity Facility Provider", in the case of the Liquidity Facility Provider and "The Retention Holder and Retention Requirements – Description of the Retention Holder" and "The Retention Holder and Retention Requirements – Origination of Collateral Debt Obligations", in the case of the Retention Holder, none of the Collateral Manager, the Collateral Administrator, the Liquidity Facility Provider, the Sub-Manager or the Retention Holder accept any responsibility for the accuracy and completeness of any information contained in this Offering Circular. The delivery of this Offering Circular at any time does not imply that the information herein is correct at any time subsequent to the date of this Offering Circular.*

*None of the Initial Purchaser, BNP Paribas in its capacity as arranger (the "**Arranger**"), the Trustee, the Collateral Manager (save in respect of the sections headed "Risk Factors - Certain Conflicts of Interest - Collateral Manager" and "The Collateral Manager"), the Sub-Manager (save in respect of the section headed "The Sub-Manager"), the Collateral Administrator (save in respect of the section headed "The Collateral Administrator"), the Liquidity Facility Provider (save in respect of the section headed "The Liquidity Provider"), the Retention Holder (save in respect of the sections headed "The Retention Holder and Retention Requirements – Description of the Retention Holder" and "The Retention Holder and Retention Requirements – Origination of Collateral Debt Obligations"), any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), the Sub-Manager (save as specified above), the Retention Holder (save as specified above), any Agent, any Hedge Counterparty or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document*

which may at any time be supplied in connection with the Refinancing Notes or their distribution or accepts any responsibility or liability therefor. None of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager, the Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, the Retention Holder, any Agent, any Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Refinancing Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Offering Circular. None of the Initial Purchaser, the Arranger, the Trustee, the Collateral Manager (save as specified above), the Sub-Manager (save as specified above), the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), the Retention Holder (save as specified above), any Agent, any Hedge Counterparty or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Initial Purchaser or the Arranger or any of their Affiliates, the Collateral Manager, the Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, the Retention Holder or any other person to subscribe for or purchase any of the Refinancing Notes. The distribution of this Offering Circular and the offering of the Refinancing Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Initial Purchaser to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000, as amended, does not apply to the Issuer (all such persons together being referred to as “**relevant persons**”). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Refinancing Notes and distribution of this Offering Circular, see “Plan of Distribution” in this Offering Circular and “Transfer Restrictions” in the 2014 Offering Circular. The Notes are not intended to be sold and should not be sold to retail investors. See further “Plan of Distribution – Retail Investor Restriction” of this Offering Circular for further 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 Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Initial Purchaser, the Trustee, the Collateral Manager, the Sub-Manager, the Retention Holder, the Collateral Administrator or the Liquidity Facility Provider. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Issuer is not and will not be regulated by the Central Bank of Ireland (the “**Central Bank**”) by virtue of the issue 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.

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

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Euro**”, “**euro**”, “**€**” and “**EUR**” are to the lawful currency of the Member States of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the “**Exiting State(s)**”), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s) and any

references to “**USDollar**”, “**US dollar**”, “**USD**”, “**U.S. Dollar**” or “**\$**” shall mean the lawful currency of the United States of America.

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

### **Jersey Regulatory Considerations**

A copy of this Offering Circular has been delivered to the Jersey Financial Services Commission (the “**JFSC**”), which has given, and not withdrawn, its consent under the Control of Borrowing (Jersey) Order 1958 (as amended) to the Issuer to issue the Refinancing Notes and to the circulation of an offer subscription, sale or exchange of the Refinancing Notes. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 (as amended) against any liability arising from the discharge of its functions under that law.

It must be distinctly understood that, in giving these consents, the JFSC takes no responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

**The investments described in this Offering Circular do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the JFSC as suitable investments for any other type of investor.**

**Any prospective investor in any investment described in this Offering Circular should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.**

### **EU RETENTION REQUIREMENTS**

In accordance with the EU Retention Requirements, the Collateral Manager, in its capacity as the Retention Holder, will undertake to the Issuer, the Arranger and the Trustee in the Retention Letter, amongst other matters, to subscribe from the Initial Purchaser and retain a material net economic interest of not less than five per cent. of the Principal Amount Outstanding of each Class of Notes of the Refinancing by subscribing for (in the case of the Refinancing Notes) and holding, on an ongoing basis, and for so long as any Refinancing Notes are Outstanding, no less than five per cent. of the Principal Amount Outstanding of each Class of Notes (such Refinancing Notes being part of the “**Retention Notes**”). See further “*The Retention Holder and 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 Collateral Manager, the Arranger, the Initial Purchaser, the Retention Holder, the Collateral Administrator, the Agents, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the 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 or any other regulatory requirement should consult with its own legal, accounting and other advisors and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See “*Risk Factors – Regulatory Initiatives*” in the 2014 Offering Circular and this Offering Circular and “*The Retention Holder and Retention Requirements*”.



## US RETENTION REQUIREMENTS

Pursuant to the US Retention Rules, the sponsor is required to disclose or cause to be disclosed to investors the percentage that the sponsor is required to acquire as a vertical interest described under “*Risk Factors – US Risk Retention*”. In adopting the US Retention Requirements, the relevant regulatory authorities indicated that the purpose of the foregoing disclosures is to allow investors to analyse the amount of the sponsor’s economic interest (“skin in the game”) in the transactions described herein. As such, the vertical interest disclosures set forth herein should not be used for any other purpose, including, without limitation, in making an investment decision with respect to any of the Refinancing Notes.

Each recipient of this Offering Circular, to the extent it considers the US Retention Requirements to be relevant to its decision to invest, should independently assess and determine the sufficiency, for the purposes of complying with the US Retention Requirements, of the information set forth in this Offering Circular, and should consult with its own legal, accounting and other advisors or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and with respect to any other related requirements of which it is uncertain.

CVC Credit Partners Investment Management Limited (the “**Sub-Manager**”) (acting as sponsor) is required under Section 15G of the Exchange Act (the “**US Retention Requirements**”) to ensure that it, or a majority-owned affiliate, as defined in the US Retention Requirements, of the sponsor (the “**Majority-Owned Affiliate**”), acquires and retains an economic interest in the credit risk of the securitised assets. For the purposes of the US Retention Requirements, the term “Retention Holder” shall refer to the Collateral Manager (holding as a Majority-Owned Affiliate of the Sub-Manager). The Sub-Manager, in its capacity as sponsor, intends to satisfy the US Retention Requirements by causing the Collateral Manager (as a Majority-Owned Affiliate of the Sub-Manager) to acquire and thereafter retain during the period required by the US Retention Requirements, an eligible vertical interest (the “**EVI**”) equal to not less than five percent. of the principal amount of each Class of Refinancing Notes issued by the Issuer on the Issue Date (the “**US Retention Notes**”) (being not less than five percent. of the credit risk of the assets collateralising the CLO issuer’s securities) and it will comply with all legal requirements imposed on the Majority-Owned Affiliate of the sponsor of a securitisation transaction, including without limitation retaining the EVI, in accordance with the US Retention Requirements. See “*Risk Factors – US Risk Retention*” and “*The Retention Holder and Retention Requirements – US Credit Risk Retention*” below.

### Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the “**Volcker Rule**”) relevant “banking entities” as defined under the Volcker Rule are prohibited from, among other things, (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule (for example, if conducted solely for hedging purposes) and (ii) acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are defined under the Volcker Rule, including “banking entity”, “ownership interest”, “sponsor” and “covered fund”. In particular, “banking entity” is defined to include certain non-U.S. affiliates of U.S. banking entities as well as non-U.S. banking entities that conduct operations in the United States either directly or through branches or affiliates, “covered fund” is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940, but for section 3(c)(1) or 3(c)(7) thereof, subject to certain exemptions and exclusions found in the Volcker Rule’s implementing regulations (which definition would extend to the Issuer given its intention to rely on section 3(c)(7)) and “ownership interest” is defined to include, among other things, interests arising through a holder’s exposure to profits and losses in the

covered fund or through any right of the holder to participate in the selection or removal of, among others, an investment manager or advisor, general partner, trustee or the board of directors or similar governing body of such covered fund. It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer. It is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. Providing that the right of holders of the Notes in respect of the removal of the Collateral Manager and selection of a successor collateral manager shall only be exercisable upon a Collateral Manager Event of Default may not be sufficient to ensure that the Rated Notes are not characterised as ownership interests. If the Issuer is deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Notes including limiting the secondary market of the Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

The Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are issued in subclasses, some of which have voting rights with respect to the removal and replacement of the Collateral Manager and others of which do not possess those rights. Accordingly, U.S. banking institutions and other banking entities investing in those classes of Notes will have the option to invest in subclasses that do not by their terms have a right to remove or replace the Collateral Manager. There can be no assurance, however, that owning the Notes of a subclass which by their terms do not have a right to remove or replace the Collateral Manager, 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.

Each prospective investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Collateral Manager, the Arranger, the Initial Purchaser, the Agents, the Trustee, their respective Affiliates or any other person makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Refinancing Notes, now or at any time in the future in compliance with the Volcker Rule or any other applicable laws.

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

### **Information as to placement within the United States**

The Refinancing Notes of each Class offered pursuant to an exemption from registration requirements under Rule 144A ("**Rule 144A**") under the Securities Act (the "**Rule 144A Notes**") will be sold only within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S), in each case, who are "qualified institutional buyers" (as defined in Rule 144A) ("**QIBs**") that are also "qualified purchasers" for purposes of Section 3(c)(7) of the Investment Company Act ("**QPs**"). The Rule 144A Notes of each Class (and, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases 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 ("**Euroclear**") and Clearstream, Luxembourg ("**Clearstream, Luxembourg**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Refinancing Notes of each Class (and, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act (the "**Regulation S Notes**") will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in 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 depository for Euroclear Bank S.A./N.V., as operator of the Euroclear system and Clearstream Banking, *société anonyme* or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) (“**U.S. Residents**”) may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the “**Global Certificates**”) will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Refinancing Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of the Refinancing Notes, including beneficial interests therein, will be deemed and in certain circumstances will be required to have made certain representations and agreements. See “*Plan of Distribution*” and “*Transfer Restrictions*” below.

As at the Issue Date, the Issuer has not been registered under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act. Exemptions or exclusions from registration as an investment company under the Investment Company Act other than those set out in sections 3(c)(1) and 3(c)(7) of the Investment Company Act may be available to the Issuer, but it is unlikely, and there can be no assurance that, any such exemptions or exclusions will be available or that the Issuer will elect to rely on such exemptions. Each purchaser of an interest in the Refinancing Notes (other than a non-U.S. Person outside the U.S.) will be deemed to have represented and agreed that it is both a QIB and a QP. Each purchaser of an interest in the Refinancing Notes will also be deemed to have made the representations set out in “*Transfer Restrictions*” in the 2014 Offering Circular. 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 in an offshore transaction in reliance on Regulation S, in each case, in compliance with the Trust Deed and all applicable securities laws of any state of the United States or any other jurisdiction. See “*Transfer Restrictions*”.

*In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Refinancing Notes and the offering thereof described herein, including the merits and risks involved, including the possibility that any purchaser of any Note may not fully recoup its initial investment, including as a result of certain origination expenses and expenses incurred by the Issuer in connection with the offering.*

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

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

BY ACCEPTING DELIVERY OF ITS REFINANCING NOTES, EACH PURCHASER OF REFINANCING NOTES WILL BE DEEMED TO HAVE ACKNOWLEDGED THAT (A) IT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM BNP PARIBAS AND TO REVIEW, AND HAS RECEIVED, ALL INFORMATION CONSIDERED BY IT TO BE MATERIAL REGARDING THE INITIAL PORTFOLIO AND ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION IN THIS OFFERING CIRCULAR AND (B) IT HAS NOT RELIED ON ANY TRANSACTION PARTY OR ANY PERSON AFFILIATED WITH ANY OF THEM IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR OR ITS INVESTMENT DECISION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR, NOR ANY SALE MADE UNDER THIS OFFERING CIRCULAR SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

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

#### **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 of a Rule 144A Note who is a QIB 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 12g 3 2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Principal Paying Agent.

#### **General Notice**

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

THE REFINANCING NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE

SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

### **Commodity Pool Regulation**

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

## TABLE OF CONTENTS

	Page
Transaction Overview .....	1
Risk Factors.....	6
1.    General.....	6
2.    Relating to Taxation .....	8
3.    Regulatory Initiatives .....	13
4.    Relating to the Notes.....	22
5.    Certain Conflicts of Interest.....	22
Description of the Refinancing Notes.....	32
Use of Proceeds.....	38
Ratings of the Notes.....	39
The Issuer.....	40
The Collateral Manager .....	41
The Sub-Manager .....	43
The Retention Holder and Retention Requirements .....	49
The Collateral Administrator .....	52
The Liquidity Facility Provider .....	53
The Portfolio.....	54
Tax Considerations .....	56
Plan of Distribution.....	68
Transfer Restrictions .....	73
Rule 17G-5 Compliance.....	74
General Information.....	75
Glossary of Defined Terms.....	78
ANNEX A 2014 Offering Circular .....	81

## TRANSACTION OVERVIEW

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

<b>Issuer</b>	CVC Cordatus Loan Fund IV Designated Activity Company, registered as a designated activity company limited by shares in Ireland
<b>Collateral Manager</b>	CVC Credit Partners Group Limited.
<b>Sub-Manager</b>	CVC Credit Partners Investment Management Limited.
<b>Trustee</b>	BNY Mellon Corporate Trustee Services Limited.
<b>Initial Purchaser</b>	BNP Paribas.
<b>Arranger</b>	BNP Paribas.
<b>Collateral Administrator</b>	The Bank of New York Mellon, SA/NV, Dublin Branch.
<b>Liquidity Facility Provider</b>	The Bank of New York Mellon, London Branch.
<b>Eligible Purchasers</b>	<p>The Refinancing Notes of each Class will be offered:</p> <ul style="list-style-type: none"> <li>(a) outside of the United States to non-U.S. Persons in “offshore transactions” in reliance on Regulation S; and</li> <li>(b) within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.</li> </ul>
<b>Original Closing Date</b>	17 December 2014
<b>Refinancing Date</b>	5 April 2017
<b>Distributions on the Refinancing Notes</b>	
<b>Payment Dates</b>	22 January and 22 July of each year, commencing on 22 July 2015 (or, in the case of the Refinancing Notes, 22 July 2017) and ending on the Maturity Date (subject to any earlier redemption of the Refinancing Notes and in each case to adjustment for non Business Days in accordance with the Conditions of the Notes).
<b>Initial Offer Price</b>	The Refinancing Notes will be issued at the issue price of 100 per cent. plus an amount (the “ <b>Accrued Interest Amount</b> ”) equal to accrued interest in respect of the period from, and including, the Payment Date immediately preceding the

Refinancing Date to, but excluding, the Refinancing Date.

***Stated Note Interest***

Interest in respect of the Refinancing Notes of each Class will be payable semi-annually in arrear on each Payment Date (with the first Payment Date occurring on 22 July 2017) in accordance with the Interest Proceeds Priority of Payments.

As the Refinancing Date will occur on a Business Day which is not a Payment Date, interest on the Refinancing Notes payable on the first Payment Date following the Refinancing Date shall represent interest accrued on the Refinancing Notes for the entire Initial Accrual Period, which will commence on the Payment Date immediately prior to the Refinancing Date. Interest in respect of the period from, and including, the Payment Date immediately prior to the Refinancing Date to, but excluding, the Refinancing Date shall accrue at a rate equal to the interest rate on the corresponding Class of Refinanced Notes.

***Deferral of Interest***

Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes pursuant to Condition 6 (*Interest*) and the Priorities of Payments shall not be a Note Event of Default unless and until:

- (a) such failure continues for a period of at least five Business Days save in the case of administrative error or omission only, where such failure continues for a period of at least seven Business Days; and
- (b) in respect of any non payment of interest due and payable on (i) the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full; (ii) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full; (iii) the Class E Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full and (iv) the Class F Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full,

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date in such circumstances, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest on such unpaid amount at the rate of interest applicable to such Notes. See Condition 6(c) (*Deferral of Interest*).

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

***Redemption of the Notes***

Principal payments on the Notes may be made in the circumstances set out in the 2014 Offering Circular.

***Hedge Arrangements***

The Issuer will not be permitted to enter into a Hedge Agreement to hedge interest rate risk and/or currency risk unless either (i) such Hedge Agreement complies with the Hedge Agreement Eligibility Criteria, or (ii) the Issuer obtains 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



Collateral Manager to register with the United States Commodities Futures Trading Commission (the “**CFTC**”) as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended (a “**Commodity Pool**”). Notwithstanding the above, if, in the reasonable opinion of the Collateral Manager, entry into a Hedge Agreement would require registration of the Collateral Manager as a Commodity Pool with respect to, and at the expense of, the Issuer, the Issuer will not be permitted to enter into such Hedge Agreement unless such registration is made by the Collateral Manager. The Issuer will also be obliged to obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is in a form in respect of which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has previously received written approval from each Rating Agency. See “*Hedge Arrangements*”.

**Authorised Denominations** The Regulation S Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Rule 144A Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof.

**Form, Registration and The Transfer of the Notes** Regulation S Notes of each Class and, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Note of such Class, sold outside the United States to non-US Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Regulation S Global Certificates in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme. 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*” in the 2014 Offering Circular. Interests in any Regulation S Note may not at any time be held by any U.S. Person or U.S. Resident.

The Rule 144A Notes of each Class and, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Note of such Class, sold in reliance on Rule 144A within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/QPs will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

The Regulation S Global Certificates and Rule 144A Global Certificates will bear a legend and such Regulation S Global Certificates and Rule 144A Global

Certificates, or any interest therein, may not be transferred except in compliance with the transfer restrictions set out in such legend. See “*Transfer Restrictions*” in the 2014 Offering Circular.

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through a Regulation S Global Certificate unless the transferor provides the Transfer Agent with a written certification substantially in the form set out in the Trust Deed regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is a both a QIB and QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See “*Form of the Notes*” and “*Book Entry Clearance Procedures*” in the 2014 Offering Circular.

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

The Refinancing Notes shall each be issued as either CM Voting Notes, CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Voting Notes shall carry a right to vote with respect to certain matters concerning the Collateral Manager as set out herein. CM Non-Voting Notes shall not carry a right to vote with respect to certain matters concerning the Collateral Manager as set out herein.

CM 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 CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM 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 CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted.

CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Any Refinancing Notes held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates at any time may only be held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes.

**Governing Law**

The Notes, the Trust Deed, the Collateral Management Agreement, the Agency Agreement, the Liquidity Facility Agreement and all other Transaction Documents (other than the Euroclear Security Agreement (which is governed by the laws of Belgium)) will be governed by English law.

**Listing**

This Offering Circular has been approved by the Central Bank, as competent

authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and trading on the Main Securities Market. Such approval relates only to the Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Directive and/or which are to be offered to the public in any Member State of the European Economic Area. There can be no assurance that any such listing approval will be granted or, if granted, that such listing and admission to trading will be maintained. This Offering Circular constitutes a “prospectus” for the purposes of the Prospectus Directive and will be made available from the website of the Central Bank and will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Directive 2003/71/EC Regulations 2005 (as amended) of Ireland.

**Tax Status**

See “*Tax Considerations*”.

**Certain ERISA  
Considerations**

See “*Certain ERISA Consideration*” and “*Transfer Restrictions*” in the 2014 Offering Circular.

**Withholding Tax**

No gross up of any payments to the Noteholders is required of the Issuer. See Condition 9 (*Taxation*).

## RISK FACTORS

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

### 1. GENERAL

#### 1.1 Relating to the Refinancing Notes

The Issuer has limited information about its past operating history, investment performance and other matters relating to its operations. The Issuer commenced operations under the Trust Deed on the Original Issue Date. While the most recent Monthly Report (as defined in the Trust Deed) prior to the Refinancing Date dated 28 February 2017 with respect to the Portfolio (the "**Latest Monthly Report**") has been filed with the Irish Stock Exchange and is available for viewing at <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=6641&FIELD SORT=docId>, such information has not been audited or otherwise reviewed by any accounting firm.

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

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

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in the Latest Monthly Report and no information is provided in this

Offering Circular regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Trust Deed, no assurance can be given that neither the Issuer nor the Collateral Manager has unintentionally failed to comply with one or more of their respective obligations under the Trust Deed or the Collateral Management Agreement, nor that any such failure will not have a material adverse effect on holders in the future.

## **1.2 Prior activities of the Issuer**

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

## **1.3 United Kingdom Referendum on Membership of the European Union**

On 23 June 2016 the United Kingdom (the “UK”) held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. 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. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuer, one or more of the other parties to the Transaction Documents or any Obligor. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

## **1.4 Reliance on Rating Agency Ratings**

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

## **1.5 Anti-Money Laundering, Anti-Terrorism, Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures**

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

## **1.6 Third Party Litigation; Limited Funds Available**

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

## **2. RELATING TO TAXATION**

### **2.1 EU Financial Transaction Tax**

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

Under the Commission’s proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating EU Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating EU Member State. A financial institution may be, or be deemed to be, “established” in a participating EU Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating

EU Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating EU Member State. Under the Commission's proposal, the FTT may apply to both transaction parties where one of these circumstances applies.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if the conditions for a charge to arise are satisfied and it is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Refinancing Notes and may result in investors receiving less interest and/or principal than expected. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Refinancing Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

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

## **2.2 FATCA**

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

Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or an Irish tax authority. The Issuer may also be required to withhold amounts from Noteholders (including intermediaries through which such Notes are held) that do not provide the required information, or that are "foreign financial institutions" that are not compliant with, or exempt from, FATCA. Although certain exceptions to these disclosure requirements could apply, each Noteholder should assume that the failure to provide the required information generally will give the Issuer (or an intermediary) the right to sell the Noteholder's Notes (and such sale could be for less than its then fair market value). See Condition 2(i) (*Forced sale pursuant to FATCA*) in the 2014 Offering Circular. Moreover, the Conditions of the Notes permit the Issuer and oblige the Trustee, without the consent of any of the Noteholders, to concur in the making of amendments to the Trust Deed to enable the Issuer to comply with FATCA.

If an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer, the Principal Paying Agent nor any other person would, pursuant to the Conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Tax Considerations - Foreign Account Tax Compliance Act*".

## **2.3 UK taxation treatment 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) incorporated or 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 fixed place of business in the UK. The Sub-Manager to whom the Collateral Manager will have delegated its day-to-day duties, including certain of its duties to act on behalf of the Issuer, will, however, have a fixed place of business in the UK and is expected to habitually exercise authority to do business on behalf of the Collateral Manager and, by virtue of the delegation of the Collateral Manager's duties to the Sub-Manager, the Issuer, in the UK.

The Issuer should not be subject to UK corporation tax in consequence of the activities which the Sub-Manager carries out, indirectly, 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 sub-agency of the Sub-Manager for the purposes of UK taxation, will not be subject to UK corporation tax in respect of the agency or sub-agency of the Sub-Manager if the agency or sub-agency is deemed not to be a permanent establishment in the UK under Article 5(6) of the UK-Ireland double-tax treaty ("**UK-Ireland Treaty**") (however see the section "*Risk Factors - Relating to Taxation - OECD Action Plan on Base Erosion and Profit Shifting*" below). This exemption will apply to the profits of the Issuer resulting from the agency or sub-agency of the Sub-Manager if the Sub-Manager, in the performance of its delegated duties pursuant to the Collateral Sub-Management Agreement, is regarded as an independent agent acting in the ordinary course of its business for the purpose of the UK-Ireland Treaty.

Should the Collateral Manager be assessed to UK tax on behalf of the Issuer, it may have the benefit of an indemnity from the Issuer. Any payment to be made by the Issuer under this indemnity will be paid as Administrative Expenses of the Issuer. Administrative Expenses are payable by the Issuer on any Payment Date in accordance with the Priorities of Payment. It should be noted that UK tax legislation makes it possible for H.M. Revenue & Customs to seek to assess the Issuer to UK tax directly rather than through the Collateral Manager as its UK representative. Should the Issuer be assessed on this basis, the Issuer will be liable to pay UK tax on its UK taxable profit attributable to its UK activities. The Issuer would also be liable to pay UK tax on its UK taxable profits if it were treated as being tax resident in the UK. Imposition of such tax by the UK tax authorities may also give rise to a Note Tax Event and an Optional Redemption subject to and in accordance with the Conditions.

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

## **2.4 OECD Action Plan on Base Erosion and Profit Shifting**

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



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

On 5 October 2015 the OECD released its final recommendations, including in respect of Action 6 and Action 7. On 24 November 2016, more than 100 jurisdictions (including the United Kingdom and Ireland) concluded negotiations on a multilateral convention that is intended to implement a number of BEPS related measures swiftly, including Action 6 and Action 7. The multilateral convention opened for signing as of 31 December 2016, and will become effective once ratified by at least five jurisdictions.

#### *Action 6*

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

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

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

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

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

On 24 March 2016, the OECD published a public discussion draft consulting on the treaty entitlement of non-CIV funds (that is, of funds that are not collective investment vehicles). The OECD published a further public discussion draft on 6 January 2017. This work may be relevant to the treaty entitlement of the Issuer. However, the OECD has not yet finalised its position in relation to non-CIV funds, and in any event it is not clear how any such position might be implemented through the multilateral convention otherwise than by the bilateral negotiation of a “detailed limitation of benefits” rule.

#### *Action 7*

Action 7 is intended to prevent the artificial avoidance of permanent establishment status. As noted above, whether the Issuer will be subject to United Kingdom corporation tax may depend on whether the Collateral Manager is regarded as an agent of independent status for the purpose of Article 5(6) of the United Kingdom-Ireland double tax treaty.

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

#### *Consequences of a denial of treaty benefits*

If, as a consequence of the application of either Action 6 or Action 7, UK tax were imposed on the net income or profits of the Issuer, the amount of UK tax due would likely be significant on the basis that some or all of the interest which it pays on the Refinancing Notes may not be deductible for UK tax purposes. Profits from dealings in the Collateral Debt Obligations could also become taxable. If the UK imposed tax on the net income or profits of the Issuer, this may constitute a Note Tax Event, which may result in an optional redemption (in whole but not in part) of the Refinancing Notes of each Class in accordance with Condition 7(g) (*Redemption following Note Tax Event*).

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

## **2.5 Irish Value Added Tax Treatment of the Collateral Management Fees**

The Issuer has been advised that under current Irish law, the Collateral Management Fees should be exempt from value added tax in Ireland as consideration paid for collective portfolio management services provided to a “qualifying company” for the purposes of section 110 of the Taxes Consolidation Act of Ireland 1997, as amended (“TCA”). This is based upon Article 135(1)(g) of

Council Directive 2006/112/EC on the Common System of Value Added Tax (the "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 Directive, specifically lists, in the categories of undertakings to whom supplies of management services are exempt from VAT, undertakings which are "qualifying companies" for the purposes of section 110 of the TCA. The Issuer has been advised that it will be such a "qualifying company", therefore management services supplied to it are exempt from value added tax in Ireland under current law. On 9 December 2015 the European Court of Justice handed down its judgment in the case of *Staatssecretaris van Financiën v Fiscale Eenheid X NV* *cs* Case C-595/13 which concerned Dutch law on value added tax, in particular the Dutch interpretation of the term "special investment fund" under the Directive, and could suggest that the exemption had been enacted by some EU Member States more broadly than is permitted by the Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from value added tax on Collateral Management Fees for entities such as the Issuer.

## 2.6 Qualifying Companies Holding Irish specified mortgages

There may be restrictions on the deductibility of interest or funding expenses paid by a qualifying company within the meaning of Section 110 TCA (such as the Issuer) where that company holds or manages certain loans, securities or other interests, which derive their value from Irish land. These rules have applied to qualifying companies from 6 September 2016.

Further detail on these proposed changes is set out in the Tax Considerations section of the Offering Circular. The legislation is still in draft and the scope and application of the new rules is subject to amendment. If the Issuer holds or manages any such asset (defined as "specified mortgages") and is not able to benefit from any of the exceptions contained in the legislation, additional Irish tax may be payable by the Issuer.

## 3. REGULATORY INITIATIVES

### 3.1 Basel III

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

Prospective investors should therefore make themselves aware of the changes and requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some

or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

### 3.2 EU Risk Retention and Due Diligence

Investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and certain EU regulated investment funds and pension funds. Such requirements as they apply to credit institutions and investment firms (pursuant to the CRR Retention Requirements) and authorised alternative investment fund managers (pursuant to the AIFMD Retention Requirements) are currently in force (the “**EU Retention Requirements**”). Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Aspects of the requirements and what is or will be required demonstrate compliance to national regulators remains unclear.

The EU Retention Requirements apply, or are expected to apply, in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Refinancing Notes. With respect to the commitment of the Collateral Manager to retain a material net economic interest in the securitisation, please see the statements set out in the section “*The Retention Holder and Retention Requirements – The Retention – EU Retention Requirements*”. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Initial Purchaser, the Arranger, the Collateral Manager, the Retention Holder, the Trustee nor any of their respective Affiliates makes any representation that the information described above is sufficient in all circumstances for such purposes.

In addition, prospective investors should note that changes have been proposed with respect to the EU Retention Requirements. The European Commission has published legislative proposals for two new regulations related to securitization. Amongst other things, the proposals include provisions intended to implement the revised securitisation framework developed by BCBS and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are differences between the legislative proposals and the current requirements, including with respect to the application approach under the EU Retention Requirements.

At this time, the legislative proposals are in draft form and they remain subject to the negotiation and subsequent adoption by the European Council of Ministers and the European Parliament. It is not clear whether, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and/or when any such adoption may occur. The compliance position under any adopted and potentially revised requirements of transactions entered into, and of activities undertaken by a party (including an investor) prior to (and, in certain circumstances, on and after) adoption is unclear. In addition, any Refinancing of the Notes or additional issuance of Notes in accordance with Condition 17 (*Additional Issuance*) may, if undertaken after the entry into force of the Securitisation Regulation, bring the transaction described herein within the scope of the Securitisation Regulation. There can be

no assurances as to whether the transactions described herein and any investors in the Refinancing Notes will be affected by any change which may be adopted in any final law or regulation (including any regulatory technical standards) relating to the EU Retention Requirements..

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

The EU risk retention and due diligence requirements described above and any other changes to the regulation or the regulatory capital treatment of the Refinancing Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market.

With respect to the fulfilment by the Collateral Manager of the requirements of the EU Retention Requirements, please refer to “*The Retention Holder and Retention Requirements*”, “*Risk Factors - Conflicts of Interest*” and “*Description of the Collateral Management Agreement*”.

### 3.3 US Risk Retention

The final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the “**US Retention Requirements**”) generally apply to CLOs, unless an exemption is available. Pursuant to the US Retention Requirements, the “sponsor” of a securitisation transaction (or majority-owned affiliate of the sponsor) is required, unless an exemption exists, to retain five per cent. of the credit risk of the assets collateralising the asset-backed securities (the “**Minimum Risk Retention Requirement**”). Under the US Retention Requirements, a “sponsor” means a person who organises and initiates a securitisation transaction by selling or transferring assets, either directly or indirectly, including through an affiliate, to the issuing entity. The preamble to the rule text in the US Retention Requirements states that the agencies believe that the US Retention Requirements apply to CLOs because managers of CLOs clearly fall within the statutory definition of “securitiser” set forth in Section 15G of the Exchange Act and that under the plain language of the statute, therefore, a CLO manager organizes and initiates an asset-backed securities transaction. For purposes of this transaction, based upon the language in the preamble to the rule text, the Sub-Manager would be a “sponsor,” but there can be no assurance, and no representation, made that any governmental authority will agree that such is the case. The US Retention Requirements provide that if there is more than one “sponsor” of a securitisation transaction, each “sponsor” is to ensure that at least one “sponsor” (or its “majority-owned affiliate”) retains the requisite US Retention Interest. The sponsor (or its “majority-owned affiliate”) is generally prohibited from directly or indirectly eliminating or reducing such credit risk by hedging or otherwise transferring the retained credit risk.

The US Retention Requirements provide several permissible forms through which a sponsor can satisfy the Minimum Risk Retention Requirement, including retaining (or having a Majority-Owned Affiliate retain) an eligible vertical interest consisting of not less than 5% of the principal amount of each class of asset-backed securities (the “**ABS**”) issued in a securitisation transaction.

The Retention Holder, as a Majority-Owned Affiliate of the Sub-Manager (acting as sponsor), has informed the Issuer that it will purchase an “eligible vertical interest” (as defined in the US Retention Requirements) of the Refinancing Notes (the “**US Retention Interest**”) on the Issue Date and will retain the “eligible vertical interest” as long as required by the US Retention Requirements. See “*The Retention Holder and the Retention Requirements - US Credit Risk Retention*” below.

During the US Retention Period, the US Retention Requirements impose limitations on the ability of the Retention Holder (or its Majority-Owned Affiliate) to dispose of or hedge its risk with respect to the EVI. During the US Retention Period, any financing obtained by the Retention Holder (or its majority-owned affiliate) during such period that is secured by the EVI must provide for full recourse

to the Retention Holder (or its Majority-Owned Affiliate) and otherwise comply with the US Retention Requirements. In addition, during the US Retention Period, the Retention Holder and its Majority-Owned Affiliates may not engage in any hedging transactions if payments on the hedge instrument are materially related to the EVI and the hedge position would limit the financial exposure of the Retention Holder or its Majority-Owned Affiliates to the EVI. The retention, financing and hedging limitations set forth in the US Retention Requirements will not apply to any Notes held by the Retention Holder that do not constitute part of the EVI.

The failure by the Sub-Manager or the Retention Holder to comply with the US Retention Requirements may result in regulatory actions and other proceedings being brought against the Sub-Manager or the Retention Holder, which could result in the Sub-Manager or the Retention Holder being required, among other things, to pay damages, transfer interests and/or acquire additional Notes (which may or may not be available at such time for acquisition) or be subject to cease and desist orders or other regulatory action. In addition, a failure to remedy noncompliance with the US Retention Requirements may also trigger a “cause” event under the Collateral Management Agreement and/or subject the Sub-Manager, the Collateral Manager and/or the Retention Holder to adverse publicity and reputational risk resulting from such non-compliance. In addition, given the lack of clarity under the US Retention Requirements with respect to the identity of the party responsible for holding the US Retention Interest upon a removal of the Collateral Manager, if the applicable Noteholders desire to remove the Collateral Manager in connection with any such “cause” event, there may be no successor investment manager willing to accept appointment as such, in which case the Collateral Manager will be required to continue to act as Collateral Manager under the Collateral Management Agreement. As a result of any of the foregoing, the failure of the Sub-Manager or the Retention Holder to comply with the US Retention Requirements may have a material and adverse effect on the market value and/or liquidity of the Notes as well as on the business, condition (financial or otherwise), assets, operations or prospects of the Issuer, the Sub-Manager and/or the Collateral Manager.

The US Retention Requirements would apply to any additional Notes issued after the Issue Date or any Refinancing. In addition, the SEC has indicated in contexts separate from the US Retention Requirements that an “offer” and “sale” of securities may arise when amendments to securities are so material as to require holders to make an “investment decision” with respect to such securities. Thus, if the SEC were to take a similar position with respect to the US Retention Requirements, they could apply to material amendments to the Trust Deed and the Notes, to the extent such amendments require investors to make a new investment decision with respect to the Notes, including a re-pricing. There is no assurance that the Notes purchased by the Retention Holder on the Issue Date will be sufficient to satisfy the US Retention Requirements in connection with any such additional issuance, Refinancing or re-pricing. As a result, the US Retention Requirements may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance, Refinancing or other material amendment and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the US Retention Requirements will have any material adverse effect on the business, financial condition or prospects of the Collateral Manager, the Sub-Manager, the Issuer or the Noteholders.

The impact of the US Retention Requirements on the loan securitisation market and the leveraged loan market generally continues to be uncertain, and any negative impact on secondary market liquidity for the Notes may be experienced immediately, due to effects of the rule on market expectations or uncertainty and the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the rule may reduce the number of collateral managers active in the market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Sub-Manager or the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could

negatively impact the return on the Collateral and reduce the market value or liquidity of the Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Notes.

The statements contained herein regarding the US Retention Requirements are based on publicly available information solely as of the date of this Offering Circular. The ultimate interpretation as to whether any action taken by an entity complies with the US Retention Requirements will be a matter of interpretation by the applicable governmental authorities or regulators. No assurance can be given that the US Retention Requirements will not change or be superseded by changes in law. There is no established line of authority, precedent or market practice that provides guidance with respect to compliance with the US Retention Requirements in connection with any actions of the Issuer after the rule becomes effective. Moreover, any applicable governmental authority or regulator could provide guidance or state views on compliance with the US Retention Requirements that materially alter current interpretations or views with respect to the US Retention Requirements. Any changes or further guidance may result in the Collateral Manager failing to comply with the US Retention Requirements and have a material adverse effect on the Issuer and the Notes.

### 3.4 European Market Infrastructure Regulation EU 648/2012

EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are “financial counterparties”, such as European investment firms, alternative investment funds (in respect of which, see “Alternative Investment Fund Managers Directive” below), credit institutions and insurance companies, or other entities which are “non-financial counterparties” or third country entities equivalent to “financial counterparties” or “non-financial counterparties”.

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

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

The process for implementing the clearing obligation is under way but uncertainties about the scope and timing remain, especially in the longer term. The margin posting requirement does not yet apply and, again, the timing for its implementation and more granular detail is yet to be finalised. Whilst the Hedge Transactions are expected to be treated as hedging transactions and deducted from the total in assessing the notional value of OTC derivative contracts entered by the Issuer and/or non-financial entities within its “group” (as defined in EMIR), there is currently no certainty as to whether the relevant regulators will share this view.

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

The Hedge Agreements may contain early termination events which are based on the application of EMIR and which may allow the relevant Hedge Counterparty to terminate a Hedge Transaction upon the occurrence of such an event. The termination of a Hedge Transaction in these circumstances may result in a termination payment being payable by the Issuer. See "*Hedging Arrangements*" in the 2014 Offering Circular.

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

### **3.5 Alternative Investment Fund Managers Directive**

The AIFMD regulates alternative investment fund managers ("**AIFMs**") and provides in effect that each alternative investment fund (an "**AIF**") within the scope of the AIFMD must have a designated AIFM responsible for ensuring compliance with the AIFMD. Although there is an exemption in the AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"), the European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it, so there can be no certainty as to whether the Issuer would benefit from the SSPE Exemption.

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

If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations and/or other risk mitigation techniques (including margin posting requirements) with respect to Hedge Transactions entered into after the relevant future effective dates. See also "*Risk Factors - Regulatory Initiatives - European Market Infrastructure Regulation EU 648/2012*" above.

### **3.6 CRA3**

Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on the 20 June 2013 (the "**CRA3**").



**Effective Date**”). Article 8(b) of CRA 3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority (“**ESMA**”). As yet, this website has not been set up so issuers, originators and sponsors cannot currently comply with Article 8(b). The European Commission has approved regulatory technical standards which were published in the Official Journal of the European Union on 30 September 2014, detailing the scope and nature of the required disclosure. The reporting requirements will generally become effective on 1 January 2017. In their current form, the regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified. Currently there is no template for CLO transactions.

Additionally, Article 8(c) of CRA 3 has introduced a requirement that issuers or related third parties of structured finance instruments obtain two independent ratings for their obligations; and should consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer intends to have two rating agencies appointed, but does not make any representation as to market share of either agency, and any consequences for the Issuer, related third parties and investors if an agency does not have a less than 10 per cent. market share are not specified. Investors should consult their legal advisors as to the applicability of CRA 3 and any consequence of non-compliance in respect of their investment in the Refinancing Notes.

### **3.7 Commodity Pool Regulation**

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

If the Issuer were deemed to be a “commodity pool”, then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association (the “**NFA**”) by the initial offering date of the Notes. Because there has previously been an exemption from such registration for most securitisation and investment fund transactions, there is little, if any, guidance as to which entity or entities would be regarded as the Issuer's CPO and CTA and thus be required to register. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as the Issuer and its investment activities in mind, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer

were deemed to be a "commodity pool", it would have to comply with a number of reporting and other requirements that are geared to traded commodity pools, which may result in significant additional costs and expenses, which may in turn affect the amounts payable to Noteholders. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an on-going basis.

Furthermore, even if an exemption were available, the limits imposed by such exemption may prevent the Issuer from entering into Hedge Transactions, having the effect of limiting the Issuer's ability to invest in Non-Euro Obligations and put it in breach of its obligation to enter into Asset Swap Transactions with respect to any Non-Euro Obligations it has purchased. The inability to enter into Interest Rate Hedge Transactions will also limit the Issuer's ability to hedge any interest rate mismatch between the Collateral Debt Obligations and the Notes, thereby in some cases limiting its ability to invest in Fixed Rate Collateral Debt Obligations. Any termination of a Hedge Agreement would expose the Issuer to costs and increased interest rate or currency exchange rate risk until the hedged assets can be sold (in respect of which, see "*Risk Factors – Relating to the Collateral – Interest Rate Risk*" and "*Risk Factors – Relating to the Collateral – Unhedged Collateral Debt Obligations*" in the 2014 Offering Circular).

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

### 3.8 Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**") relevant "banking entities" as defined under the Volcker Rule are generally prohibited from, among other things, (i) conducting proprietary trading activities in a wide variety of financial instruments unless the transaction is excluded from the scope of the rule and (ii) acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Subject to certain exceptions and extensions, full conformance with the Volcker Rule was required from 21 July 2015. In general, there is limited interpretive guidance regarding the Volcker Rule.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities, as well as non-U.S. banking entities that conduct operations in the United States either directly or through branches or affiliates, and "covered fund" is defined to include an issuer that would be an investment company, as defined in the U.S. Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) thereof, subject to certain exemptions found in the Volcker Rule's implementing regulations (which definition would extend to the Issuer given its intention to rely on section 3(c)(7)). It should also be noted that an "ownership interest" is broadly defined and may arise through a holder's exposure to the profit and losses of a covered fund as well as through any right of the holders to participate in the selection of an investment adviser, manager, general partner, trustee, board of directors or similar governing body of the covered fund. The Subordinated Notes will be characterised as ownership interests in the Issuer, and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. Providing that the right of holders of the Notes in respect of the removal of the Collateral Manager and selection of a successor collateral manager

shall only be exercisable upon a Collateral Manager Event of Default may not be sufficient to ensure that the Rated Notes are not characterised as ownership interests. If the Issuer is deemed to be a covered fund then in the absence of regulatory relief such prohibitions may have adverse effects on the Issuer and the liquidity and value of the Notes including limiting the secondary market of the Notes and affecting the Issuer's access to liquidity and ability to hedge its exposures.

The Transaction Documents have been drafted in a manner so as to disenfranchise the holders of any Class A Notes, Class B Notes, Class C Notes and Class D Notes in the form of CM Non-Voting Notes in respect of any CM Removal Resolution or CM Replacement Resolution. There can be no assurance that these steps will be effective in 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.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Refinancing Notes and, in addition, may have a negative impact on the price and liquidity of the Refinancing Notes in the secondary market. Each prospective investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Collateral Manager, the Initial Purchaser or the Arranger makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Refinancing Notes of any Class, now or at any time in the future.

### 3.9 Irish Credit Servicing Act

On 8 July 2015, the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 was implemented into Irish law (such law amending the Irish Central Bank Act, 1997, and this law so amended the "**Credit Servicing Act**"). The Credit Servicing Act provides for the authorisation and regulation of firms (credit servicers) which undertake credit servicing for holders of the legal title to certain Irish obligor loans (described below). If no credit servicer is appointed to service such loans, the owner of the legal title to the relevant loan itself (or part thereof) will be obliged to seek such authorisation ("the **Irish Authorisation**").

The Credit Servicing Act applies to all loans to Irish consumers and micro, small or medium-sized enterprises (within the meaning of Article 2 of the Annex to the European Commission Recommendation 2003/361/EC of 6 May 2003) ("**Irish SMEs**"). However, the Credit Servicing Act only applies to a loan to an Irish SME where the loan (or part thereof) was originally made by a lender authorised to provide credit in Ireland by the Central Bank of Ireland or an equivalent authority in an EEA country (such lenders, "**regulated lenders**") and such regulated loans, "**the relevant Irish SME Loans**").

The Eligibility Criteria do not contain a restriction on the Collateral Manager acquiring relevant Irish SME Loans on behalf of the Issuer where the Issuer's ownership of any such loan would require it to obtain the Irish Authorisation.

Further, the Issuer may acquire relevant Irish SME Loans that do not require the Issuer to obtain the Irish Authorisation upon initial acquisition of such asset. In such cases, there is a risk that the Issuer may at some future date be required to obtain the Irish Authorisation in respect of any such loans due to changes in the relevant loan arrangements (for example, if the Issuer holds its interest in the relevant Irish SME Loan indirectly through a sub-participation but is required to elevate, or if the credit servicer's appointment is terminated without a replacement credit servicer being appointed or the successor servicer does not hold the Irish Authorisation).

Further, the Issuer may acquire loans with Irish obligors that are not Irish SMEs, but then obtain such status during the Issuer's ownership of the loan (for example, due to a reduction in the obligor's turnover or staff headcount). Therefore, while the impact of a change in obligor status in this way is not

clear under Irish law, there is a risk that loans may become relevant Irish SME Loans, depending on the commercial performance of the obligor and the identity of the original lender(s) in the loans.

If the Issuer holds the legal title to relevant Irish SME Loans and no credit servicer is appointed to such loans, it will need to either to appoint a credit servicer, seek the Irish Authorisation itself or sell the loan.

It is unlikely the Central Bank of Ireland would grant the Issuer the Irish Authorisation. Failure to comply with various provisions of the Credit Servicing Act is an offence under Irish law. Further, the Issuer's return on capital in respect of the relevant Irish SME Loans where it holds such loans in breach of the Credit Servicing Act may be reduced by the consequent difficulties in enforcing or selling such assets.

Given the anticipated cost of compliance and the legal implications of non-compliance with the Credit Servicing Act, the attractiveness of acquiring relevant Irish SME Loans has been reduced (and to a lesser extent, loans to non-Irish SME obligors). However, the reduced attractiveness of such eligible investment opportunities is not expected to have a material impact on the Issuer's ability to deploy capital.

#### **4. RELATING TO THE NOTES**

##### **4.1 Actions of any Rating Agency can adversely affect the market value or liquidity of the Notes**

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

#### **5. CERTAIN CONFLICTS OF INTEREST**

##### **5.1 Collateral Manager**

CVC Credit Partners LP and its Affiliates and each of their respective successors and permitted assigns (together, "**CVC Credit Partners** ") provide investment advisory and/or investment management services to investment vehicles, pooled investment funds and managed account arrangements (each, a "**CVC Fund** ") and engage in other activities. In addition, in managing its proprietary account, a member of CVC Capital Partners or CVC Credit Partners ("**CVC** ") may purchase or sell securities for its own account that such member of CVC also recommends to Other Clients (defined below).

Various potential and actual conflicts of interest may arise from the overall investment activities of CVC, the Collateral Manager, any Affiliates (including CVC Credit Partners Group Limited and CVC Credit Partners Investment Management Limited) or any director, officer or employee of a CVC Fund (all such persons collectively, "**Collateral Manager Related Persons** "). CVC is a global alternative asset manager and, as such, may have multiple advisory, management, transactional, financial and

other interests that may conflict with those of the Issuer and its Noteholders. CVC may in the future engage in further activities that may result in additional conflicts of interest not addressed below.

Noteholders should note that the Collateral Management Agreement may contain provisions that, subject to applicable law, reduce or eliminate the duties, including fiduciary and other duties, to the Issuer to which the Collateral Manager and its Affiliates would otherwise be subject, provisions that waive or consent to conduct on the part of the Collateral Manager and its Affiliates that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of the Issuer with respect to breaches of such duties. If any matter arises that the Collateral Manager determines in its good faith judgment constitutes an actual conflict of interest, the Collateral Manager may take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict. There can be no assurance that the Collateral Manager will resolve all conflicts of interest in a manner that is favourable to the Issuer. By acquiring Refinancing Notes, Noteholders will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

#### *Broad and wide-ranging activities*

As a global alternative asset manager, CVC engages in a broad spectrum of activities, including financial advisory and/or management services, investment management, sponsoring and managing private and public investment funds, advising CLOs and other activities. In the ordinary course of its business, CVC engages in activities where its interests or the interests of its clients may conflict with the interests of the Issuer and its Noteholders.

Conflicts of interest that arise between the Issuer, on the one hand, and CVC, any member of CVC, any existing or future affiliated fund or any Other Client, on the other hand, generally will be discussed and resolved on a case-by-case basis by senior management of CVC and representatives of the Collateral Manager, who may be the same individuals. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. Investors should be aware that conflicts will not necessarily be resolved in favour of the Issuer's interests.

#### *Other investment vehicles and advisory and/or management relationships*

CVC (including without limitation the Collateral Manager, CVC Credit Partners Group Limited and CVC Credit Partners Investment Management Limited) currently advise and/or manage certain investment vehicles, pooled investment funds and managed account arrangements, and expect in the future to continue to advise and/or manage, various other investment vehicles, pooled investment funds and managed account arrangements (collectively, "**Other Clients**")), including Other Clients with similar or identical investment objectives, strategies and policies to those of the Issuer, and it is anticipated that such Other Clients may make investments which are similar or identical to the Issuer's investments and which may create a potential conflict of interest for CVC. In addition, in managing its proprietary accounts, CVC may purchase or sell securities for its own account and references to "Other Clients" may include such activities as the context requires. CVC or such Other Clients, whether now existing or created in the future, could compete with the Issuer for the purchase and sale of investment opportunities.

Collateral Manager Related Persons may engage in transactions or investments or cause or advise Other Clients to engage in transactions or investments which may differ from or be identical to the transactions or investments engaged in by the Collateral Manager for the Issuer without notifying Noteholders. Such advice or transactions may be effected at prices or rates that are more or less favourable than the prices or rates applying to transactions effected for the Issuer and may affect the prices and availability of Collateral Debt Obligations in which the Issuer invests or seeks to invest. To the extent permitted by law, Collateral Manager is permitted to aggregate orders for the Issuer's account with orders for Other Clients. For example, and without limitation, CVC Capital Partners

SICAV-FIS S.A., and CVC Capital Partners Advisory Group Holdings Foundation and each of their respective direct and indirect subsidiaries and their respective Affiliates (but excluding (i) any funds managed and/or advised by any of the foregoing and (ii) any of the portfolio investments of any fund referenced in (i)) (together, "**CVC Capital Partners** ") are primarily engaged in advising and managing private equity funds that currently acquire controlling or significant minority interests in European, Asian and North American companies by investing primarily in equity and equity linked securities. While these investments are generally not suitable for the Issuer, certain conflicts of interest may arise in situations in which investment vehicles advised or managed by the Collateral Manager, CVC Credit Partners and/or CVC Capital Partners have made investments in different parts of the capital structure of the same company. No assurances can be made that any conflicts will be resolved in favour of the Issuer's interests.

The Collateral Manager and/or CVC may engage in transactions or investments or cause or advise Other Clients to engage in transactions or investments which may differ from or be identical to the transactions or investments engaged in by the Collateral Manager for the Issuer's account without notifying the Issuer or the Noteholders. Such advice or transactions may be effected at prices or rates that are more or less favourable than the prices or rates applying to transactions effected for the Issuer and may affect the prices and availability of assets in which the Issuer invests or seeks to invest. The Collateral Manager and the Collateral Manager Related Persons do not have any obligation to engage in any transaction or investment for the Issuer's account or to recommend any transaction to the Issuer which the Collateral Manager or the Collateral Manager Related Persons may engage in for their own accounts or the account of any Other Clients except as otherwise required by applicable law. To the extent permitted by law, Collateral Manager and the Collateral Manager Related Persons are permitted to bunch or aggregate orders for the Issuer's account with orders for Other Clients.

CVC may purchase, sell or take other actions with respect to an investment for its own accounts or those of Other Clients, or suggest that such Other Clients make such purchase, sale or other actions prior to executing such actions for the Issuer in respect of such investment, and such actions by CVC may result in more or less favourable terms in connection with any subsequent action taken by or on behalf of the Issuer. Additionally CVC may vote and make any other determinations with respect to the investments held for its own accounts or those of its Other Clients in its sole discretion without regard to the manner in which it votes or makes any other determinations on behalf of the Issuer with respect to such investments, and such votes or determinations taken for CVC's own accounts or those of its Other Clients may conflict with those votes or determinations taken on behalf of the Issuer. The Collateral Manager is under no obligation to disclose such votes or determinations to Noteholders.

*Investments in which the Collateral Manager, the Collateral Manager Related Persons and CVC have a different interest*

CVC may invest in a broad range of securities and instruments throughout the corporate capital structure. Accordingly, the Collateral Manager, through Collateral Debt Obligations, may invest in different parts of the capital structure of a company or other issuer in which CVC or Other Clients invest. Therefore, if Other Clients were to purchase debt or other instruments at a different level than the Issuer's Collateral Debt Obligations, CVC may, in certain instances, face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Other Client and the Issuer.

For example, with respect to the Issuer's investments in certain companies, Other Clients may invest in equity and/or different classes of debt issued by the same companies and/or one of CVC Capital Partners' private equity funds may own some or all of the equity securities of such companies. For example, and without limitation, to the extent an investment vehicle advised or managed by CVC Capital Partners may own all or a majority of the outstanding equity securities of a company in which the Issuer invests, such funds may have the ability to elect all of the members of the board of directors of such company and thereby control its policies and operations, including the appointment of management, future issuances of common stock or other securities, the payments of dividends, if any,

on its common stock, the incurrence of debt by it, amendments to its certificate of incorporation and bylaws and entering into extraordinary transactions, and such funds' interests may not in all cases be aligned with the Issuer's, which could create actual or potential conflicts of interest or the appearance of such conflicts.

Further, if Other Clients were to purchase debt or other instruments issued by a company at a different level in the company's capital structure than the Issuer's investments, CVC may, in certain instances, face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Other Client and the Issuer (for example, including but not limited to, with respect to the terms of such debt or other instruments, the enforcement of covenants, the terms of recapitalisations, exercise of rights, pursuit of remedies).

Other Clients could have an interest in pursuing an acquisition that would increase indebtedness, divestiture of revenue-generating assets or other transaction that could enhance the value of the private equity investment, even though the proposed transaction would subject the Issuer's debt investments to additional or increased risk. In addition, to the extent that one of the Other Clients is actually or effectively the controlling shareholder, it may be able to determine the outcome of all matters requiring stockholder approval and will be able to cause or prevent a change of control of such company or a change in the composition of its board of directors and could preclude any unsolicited acquisition of that company regardless as to whether it is in the interests of the Issuer. So long as the Other Client continues to own a significant amount of the voting power of a company in which the Issuer invests, even if such amount is less than 50%, it may continue to influence strongly, or effectively control, that company's decisions. As a result, the CVC Fund's interests with respect to the management, investment decisions or operations of those companies may at times be in direct conflict with those of the Other Clients.

In addition, where the Issuer, CVC and/or the Other Clients invest in different parts of the capital structure of a company, their respective interests may diverge significantly in the case of financial distress of the company. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Issuer to provide such additional financing. If CVC or Other Clients were to lose their respective investments as a result of such difficulties, the ability of the Collateral Manager to recommend actions in the best interests of the Issuer might be impaired. In addition, it is possible that in a bankruptcy proceeding the Issuer's interest may be subordinated or otherwise adversely affected by virtue of the Collateral Managers, the Collateral Manager Related Persons' and/or CVC's or the Other Client's involvement and actions relating to their investment. Moreover, there can be no assurance that the term of or the return on the Issuer's investment will be equivalent to or better than the term of or the returns obtained by the other affiliates or the Other Clients participating in the transaction. This may result in a loss or substantial dilution of the Issuer's investment, while CVC and/or an Other Client recovers all or part of amounts due to it.

A further example of where the Issuer, CVC and/or the Other Clients may have divergent interests where they are invested in different parts of the capital structure of a company is where such an entity is holding senior loans or debt securities of a company and may therefore want to pursue actions to protect its own rights as a creditor that are detrimental to the rights of an Other Client, CVC or the Fund, that holds more junior securities issued by the same company.

The Collateral Manager's ability to implement the Issuer's strategies effectively may be limited to the extent that contractual obligations entered into in respect of the activities of CVC impose restrictions on the Issuer engaging in transactions that the Collateral Manager may be interested in otherwise pursuing.

Due to the various conflicts described herein, actions may be taken by CVC and/or on behalf of Other Clients that are adverse to the Issuer.

While the possibility of conflicts in such circumstances can never be fully mitigated, prior to making any new investment in a company on behalf of a client, CVC Credit Partners will consider whether the interests of other clients invested in the capital structure of the company may impair its ability to act in the best interest of the client in question. When CVC Credit Partners is required to take action with respect to a security or loan investment held by a client, it is CVC Credit Partners' policy to act in the best interest of the holder of the investment with respect to which action is being taken, even though such actions may be to the detriment of others invested in the company's capital structure.

*Allocation of opportunities; Non-exclusivity*

No Collateral Manager Related Person is required to accord exclusivity or priority to the Issuer in the event of limited investment opportunities. Where there is a limited supply of an available opportunity, a Collateral Manager Related Person will allocate investment opportunities (including any related co-investment opportunities) in any manner deemed appropriate as determined in its sole discretion, taking into account considerations which may include, among other things, investment objectives, investment strategies, restrictions or other considerations deemed relevant by a Collateral Manager Related Persons. However, CVC cannot assure, and assumes no responsibility for, equality among all of their and their Affiliates' accounts and clients and, as a result, investment opportunities that fall within the Issuer's objective and/or strategy may be allocated in whole or in part, away from the Issuer.

CVC now and/or in the future advises or manages proprietary accounts and/or Other Clients having objectives similar to or the same as, in whole or in part, to those of the Issuer.

*Cross transactions and principal transactions*

The Collateral Management Agreement permits the Collateral Manager, in its discretion, to engage on behalf of the Issuer in (a) cross transactions between the Issuer and another client of the Collateral Manager or the Collateral Manager Related Persons provided it has reasonable grounds to believe that any such cross transaction is justified from the perspective of the Issuer and is consistent with the Issuer's investment policies and (b) agency cross transactions effected through a broker-dealer affiliated with the Collateral Manager, in each case upon the terms and subject to the conditions set out in the Collateral Management Agreement.

The Collateral Management Agreement also permits the Collateral Manager to engage on behalf of the Issuer in principal transactions, subject to procedures developed by the Collateral Manager to address conflicts of interest. The Collateral Manager's current procedures regarding principal transactions require that it obtain, prior to effecting any principal transaction, the consent of the board of directors of the Issuer to such principal transaction. Those procedures require that the Collateral Manager disclose to the board of directors of the Issuer (i) the capacity in which it is acting; (ii) that the transaction is a purchase or sale for no consideration other than cash payment against prompt delivery of the Collateral Debt Obligation for which market quotations are readily available; (iii) that the transaction is effected at the independent current market price determined as follows (x) if the transaction is an interest in a bank loan traded in a dealer market, at the next price reported at the close of such market by an independent pricing service so long as the reliability of the prices provided by the pricing service have been found to be indicative of market value; and (y) for all other transactions, the average of at least two current independent bids determined on the basis of reasonable inquiry; (iv) that the transaction is consistent with the investment policies of the Issuer; and (v) that no brokerage commission or fee (except for customary transfer fees or other remuneration) will be paid in connection with the transaction.

Neither the Collateral Manager nor any Collateral Manager Related Person will be liable to the Issuer, the Trustee, the Noteholders or any other Person for any loss incurred as a result of the actions taken by or recommended by the Collateral Manager under the Collateral Management Agreement, except by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, wilful breach, gross



negligence (as such concept is interpreted by the New York courts) or reckless disregard in the performance of its obligations thereunder. Subject to the above mentioned standard of conduct, the Collateral Manager, its shareholders, directors, officers, partners, members, managers, attorneys, advisors, agents, employees and each Collateral Manager Related Person will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, relating to the issuance of the Notes, the transactions contemplated thereby or the performance of the Collateral Manager's obligations under the Collateral Management Agreement, which will be payable in accordance with the Priority of Payments.

#### *Conflicts of personnel and/or Directors*

Although the professional personnel and/or directors of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems necessary, CVC Credit Partners' investment professionals will continue to work on other projects, including the Other Clients, and conflicts of interest may arise in allocating time, services or functions among such interested parties and the Issuer.

#### *Conflicts of service providers*

Certain advisers and other service providers, (including, without limitation, accountants, developers, property managers, administrators, depositaries, custodians, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisers and agents) to the Issuer (including the Affiliates, directors, shareholders, agents, delegates, contractors, officers and employees of such advisers and other service providers) may also provide goods or services to or have business, personal, political, financial or other relationships with Collateral Manager Related Persons, CVC or other service providers. Such advisers and service providers may be investors in the Issuer or Other Clients, the Collateral Manager, or their Affiliates. These service providers and their affiliates, directors, shareholders, agents, delegates, contractors, officers and employees may contract, otherwise be interested in or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with the Issuer, the Collateral Manager or any Noteholder. These relationships may influence the Collateral Manager in deciding whether to select or recommend such a service provider to perform services for the Issuer (the cost of which generally will be borne directly or indirectly by the Issuer). Similarly, these service providers and their affiliates, directors, shareholders, agents, delegates, contractors, officers and employees may engage in competitive activities and may earn fees from or receive or provide other consideration from such persons or entities, and may provide different advice or services, take different action, or hold or deal in different loans for any other client or account, including their own accounts, from the advice or services they provide, action they take, or loans they hold or deal for the Issuer. In certain circumstances, advisers and service providers, or their affiliates, directors, shareholders, agents, delegates, contractors, officers and employees, may charge different rates or have different arrangements for services provided to a Collateral Manager Related Person or CVC as compared to services provided to the Issuer, which may result in more favourable rates or arrangements than those payable by the Issuer.

#### *Confidential information*

In connection with its other business activities and Other Clients, the Collateral Manager and Affiliates may come into possession of confidential, material non-public information with respect to a borrower (including, without limitation, due to its prior transactions with the borrower, through its participation in an official or unofficial steering committee or through third-party information sources) or another issuer, which may limit their ability to engage in potential transactions on behalf of the Issuer in certain circumstances. Should this occur, the Collateral Manager may also be restricted from providing all or a portion of their services to the Issuer until such time as the information becomes public or is no longer deemed confidential and/or material. Additionally, there may be circumstances in which one or more of certain individuals associated with the Collateral Manager will be precluded from providing services related to the Issuer's activities because of certain confidential information available to such

individuals, the Collateral Manager or Affiliates. In addition, the Issuer may not have access to material non-public information in the possession of a Collateral Manager Related Persons which might be relevant to an investment decision to be made by the Issuer, and the Issuer may initiate a transaction to buy or sell a Collateral Debt Obligations which, if such information had been known to it, may not have been undertaken.

#### *Policies and procedures of CVC*

Policies and procedures implemented by CVC from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across CVC's areas of operation or expertise that the Collateral Manager expects to draw on for purposes of pursuing and evaluating attractive investment opportunities for the Issuer. Because CVC has other activities beyond the Issuer, it is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which it would otherwise be subject if it focused only on the Issuer. CVC has established an information barrier to isolate the material, non-public information of each of CVC Capital Partners and CVC Credit Partners except as expressly provided in the information barrier procedures and subject to appropriate procedural safeguards. The purpose of this information barrier is, among other things, to confine any material, non-public information obtained by personnel on one side of the barrier so that the investment activities of the businesses on the other side of the barrier are not restricted as a result of the material non-public information being imputed to the personnel on the other side of the barrier. As a result of this information barrier, personnel of the Collateral Manager may not be able to use, act on or otherwise be aware of information that is known by or in the possession of the personnel of CVC Capital Partners (and vice-versa). Collaboration between CVC Credit Partners personnel and CVC Capital Partners personnel may therefore be limited and this in turn may reduce potential synergies. At the same time, there are no information barriers between or among the various investment teams within CVC Credit Partners, or between the Collateral Manager and its Affiliates. The Collateral Manager and its Affiliates operate a shared restricted list to which all of their respective clients are subject. Consequently, CVC Credit Partners may not be able to buy or sell a particular security or other instrument on behalf of its clients because one or more personnel of an Affiliate of the Collateral Manager possesses material, non-public information concerning the instrument's issuer or the market for the issuer's securities or other instruments. Similarly, in such circumstances, CVC Credit Partners may not be able to dispose of a security or other instrument owned by a client, even in a declining market, until the information becomes publicly available or immaterial and the trading in the issuer's securities or instruments is no longer restricted.

In addition, CVC may in the future establish or modify other information barriers between one division of CVC, on the one hand, and the rest of CVC on the other. Additionally, the terms of confidentiality or other agreements with or related to companies in which CVC has or has considered making an investment or which is otherwise an advisory client of CVC may restrict or otherwise limit the ability of the Issuer to make investments in or otherwise engage in businesses or activities competitive with such companies. CVC may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for the Issuer, may require the Issuer to share such opportunities or otherwise limit the amount of an opportunity the Issuer can otherwise take.

#### *Possible future activities*

CVC may expand the range of services that it provides over time. Except as provided herein, CVC will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. CVC has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those

intended to be made by the Issuer. These clients may themselves represent appropriate investment opportunities for the Issuer or may compete with the Issuer for investment opportunities.

#### *Additional potential conflicts*

The officers, directors, members, managers and employees of CVC or may trade in loans and securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and internal policies or otherwise determined from time to time by CVC. CVC may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Issuer. Without limiting the generality of the foregoing, CVC may act as the investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in their own name or through other entities, and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, partnerships, securities firms, advisory firms or management firms.

#### *Rebates*

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

#### *Retention financing*

The Collateral Manager has acted as the originator of certain Collateral Debt Obligations that comprise the Portfolio and has purchased loans and other debt obligations on the primary and secondary market and sold such assets to the Issuer. The Collateral Manager is the Retention Holder and has subscribed for (in the case of each Class of Note other than the Refinancing Notes) and will subscribe for on the Issue Date (in the case of each Class of Refinancing Notes) and (in each case) hold, on an on-going basis, not less than 5 percent. of the nominal value of each Class of Notes. The Collateral Manager as the Retention Holder and other Collateral Manager Related Persons have purchased, or may purchase, Subordinated Notes and/or Rated Notes on or after the Issue Date of the Refinancing Notes. The Collateral Manager in its capacity as Retention Holder has entered into, and may in the future enter into, financing arrangements with one or more third parties (the “**Retention Financier**”) in respect of the Retention provided such financing is permissible under the EU Retention Requirements and/or the US Retention Requirements. Such financing is or will be a full-recourse obligation of the Retention Holder and may involve the grant of a security interest by the Retention Holder over the Retention Notes in favour of the Retention Financier. In the case of a default by the Collateral Manager, the security interest over the Retention Notes may result in the Retention Financier having enforcement rights and remedies, such as the right to appropriate or sell the Retention Notes which may result in the EU Retention Requirements or the US Retention Requirements ceasing to be fulfilled. In enforcing any such rights and remedies the Retention Financier may have interests that are different from those of Noteholders. Noteholders should also be aware that any incurrence of debt by the Retention Holder, including that used to finance the acquisition of the Retention Notes, could potentially lead to an increased risk of the Collateral Manager becoming insolvent and therefore unable to fulfil its obligations as both Retention Holder and Collateral Manager. See “*The Retention Holder and Retention Requirements*”.

## **5.2 Various potential and actual conflicts of interest Conflicts of Interest Involving or Relating to the Initial Purchaser and its Affiliates**

Each of the Initial Purchaser and its Affiliates (the “**BNPP Parties**”) will play various roles in relation to the offering, including acting as the structurer of the transaction and in other roles described below in respect of the Refinancing Notes.

The Initial Purchaser will purchase the Refinancing Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a higher or lower fee being paid to the Initial Purchaser in respect of those Refinancing Notes. The Initial Purchaser may elect in its sole discretion to rebate a portion of its fees in respect of the Refinancing Notes to certain investors, including the Retention Holder and the Collateral Manager. The Initial Purchaser may assist clients and counterparties in transactions related to the Refinancing Notes (including assisting clients in future purchases and sales of the Refinancing Notes and hedging transactions). The Initial Purchaser expects to earn fees and other revenues from these transactions.

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

From time to time the Collateral Manager may purchase from or sell Collateral Debt Obligations through or to the BNPP Parties and one or more BNPP Parties may act as the selling institution with respect to participation interests and/or as a counterparty under a Hedge Agreement. The BNPP Parties may act as placement agent and/or initial purchaser or investment manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Refinancing Notes.

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

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

## DESCRIPTION OF THE REFINANCING NOTES

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

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

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

Except as expressly set forth herein, the Class A Notes will be subject to the same terms and conditions as the Original Class A Notes, the Class B-1 Notes will be subject to the same terms and conditions as the Original Class B-1 Notes, the Class B-2 Notes will be subject to the same terms and conditions as the Original Class B-2 Notes, the Class C Notes will be subject to the same terms and conditions as the Original Class C Notes and the Class D Notes will be subject to the same terms and conditions as the Original Class D Notes. Therefore, except as expressly set forth herein, the information regarding the Original Class A Notes, the Original Class B-1 Notes, the Original Class B-2 Notes, the Original Class C Notes and the Original Class D Notes set forth in the 2014 Offering Memorandum also applies to the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes, respectively.

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

### **Deed of Amendment – Amendments to the Conditions in respect of the Refinancing Notes**

The purchasers of Refinancing Notes will be deemed to approve the amendments to the Trust Deed pursuant to the Deed of Amendment.

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

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

- Paragraph (d) of the recitals of the Conditions is deleted and replaced with the following:

“(d) a note placement agreement dated on or about the initial Issue Date (the “**Placement Agreement**”) between the Issuer and Goldman Sachs International as placement agent and a subscription agreement dated on or about the further Issue Date (the “**Subscription Agreement**”) between the Issuer and BNP Paribas as initial purchaser;

- The definition of "**Accrual Period**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

"**Accrual Period**" means:

- (a) in respect of the Class E Notes, the Class F Notes and the Subordinated Notes, the period from and including the Issue Date to, but excluding the first Payment Date; and
- (b) in respect of each Class of Notes that is subject to a Refinancing, the applicable Initial Accrual Period,

and thereafter, for each Class of Notes, each successive period from and including each Payment Date to, but excluding, the following Payment Date.

- The definition of "**Collateral Management Agreement**" in Condition 1 (*Definitions*) is amended by adding the following words to the end of the definition: ", as amended by the CM Deed of Amendment".

- The definition of "**Issue Date**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

"**Issue Date**" means:

- (a) in respect of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes, 5 April 2017 (or such other date as may shortly follow such date as may be agreed between the Issuer, the Initial Purchaser and the Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange); and
- (b) in respect of the Class E Notes, the Class F Notes and the Subordinated Notes, 17 December 2014.

- The definition of "**Refinancing**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

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

- (a) a refinancing in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*); or
- (b) the Refinancing of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes that took effect on 5 April 2017.

- The definition of "**Retention Requirements**" in Condition 1 (*Definitions*) is deleted and replaced with the following:

"**Retention Requirements**" means, together, the CRR Retention Requirements, the AIFD Retention Requirements and the Solvency II Retention Requirements.

- A new definition is added in Condition 1 (*Definitions*) as follows :

"**CM Deed of Amendment**" means an amending deed to the Collateral Management Agreement dated 26 February 2015 between the same parties to the Collateral Management Agreement.

- A new definition is added in Condition 1 (*Definitions*) as follows:

"**Deed of Amendment**" means an amending deed to the Trust Deed, the Master Definitions Agreement and the Collateral Management Agreement between the same parties to the Trust Deed dated 5 April 2017.

- A new definition is added in Condition 1 (*Definitions*) as follows :

**"Initial Accrual Period"** means, in respect of a Class of Notes that is subject to a Refinancing, either (i) if the Refinancing occurs on a Payment Date, from and including such Payment Date or (ii) if the Refinancing occurs on a date other than a Payment Date, from and including the Payment Date immediately preceding the date of the Refinancing, in each case to, but excluding, the first Payment Date following the Refinancing.

- A new definition is added in Condition 1 (*Definitions*) as follows:

**"Initial Purchaser"** means BNP Paribas.

- A new definition is added in Condition 1 (*Definitions*) as follows:

**"Retention Notes Purchase Agreement"** means the retention notes purchase agreement between the Collateral Manager and the Initial Purchaser dated as of 5 April 2017.

The definition of "Transaction Documents" is amended to include the "Retention Notes Purchase Agreement".

- A new definition is added in Condition 1 (*Definitions*) as follows:

**"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.

- A new definition is added in Condition 1 (*Definitions*) as follows:

**"Solvency II Retention Requirements"** means the risk retention requirements and due diligence requirements set out in Article 254 and Article 256 of Commission Delegated Regulation (EU) 2015/35, as amended from time to time.

- Each reference to "CVC Cordatus Loan Fund IV Limited" is replaced with a reference to "CVC Cordatus Loan Fund IV Designated Activity Company".

- Wherever the term "Placement Agent" appears in the Conditions (other than in the definition of "Placement Agent" and "Placement Agreement") this will be replaced by a reference to this term and the term "Initial Purchaser".

- Wherever the term "Placement Agreement" appears in the Conditions (other than in the definition of "Placement Agreement") this will be replaced by a reference to this term and the term "Subscription Agreement".

- Condition 6(e)(i)(A)(1) is amended by deleting sub-paragraph (a) and replacing it with the following:

"in the case of the initial Accrual Period for the Class E Notes and the Class F Notes, the Calculation Agent will determine a straight line interpolation of the offered rate for 6 and 12 month Euro deposits".

- Condition 6(e)(i)(B)(1) is amended by deleting sub-paragraph (a) and replacing it with the following:

"in the case of the initial Accrual Period for the Class E Notes and the Class F Notes, the Calculation Agent will determine a straight line interpolation of the offered quotation for 6 and 12 month Euro deposits".

- Condition 6(a)(i) is deleted and replaced with the following:

- (i) *Fixed Rate Notes and Floating Rate Notes*



The (x) Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes and the Class D Notes, each bear interest from (and including) the Payment Date immediately preceding the date of the Refinancing and (y) the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date, and in each case such interest will be payable semi-annually in arrear on each Payment Date (or in the case of the interest accrued during the Initial Accrual Period, on the Payment Date falling on or about 24 July 2017).

- Condition 6(e)(i)(D) is deleted and replaced with the following:

(D) Where "**Applicable Margin**" means:

(1) in the case of the Class A Notes:

- (x) in respect of the Initial Accrual Period, (a) for the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, 1.25 per cent. per annum (the "**Class A Initial Higher Margin**") and (b) for the period from and including the date of the Refinancing to, but excluding, the following Payment Date, 0.78 per cent. per annum (the "**Class A Initial Lower Margin**" and, together with the Class A Initial Higher Margin, the "**Class A Initial Margin**"; and
- (y) thereafter, 0.78 per cent. per annum (the "**Class A Subsequent Margin**" and, together with the Class A Initial Margin, the "**Class A Margin**");

(2) in the case of the Class B-1 Notes:

- (x) in respect of the Initial Accrual Period, (a) for the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, 2.00 per cent. per annum (the "**Class B-1 Initial Higher Margin**") and (b) for the period from and including the date of the Refinancing to, but excluding, the following Payment Date, 1.30 per cent. per annum (the "**Class B-1 Initial Lower Margin**" and, together with the Class B-1 Initial Higher Margin, the "**Class B-1 Initial Margin**"; and
- (y) thereafter, 1.30 per cent. per annum (the "**Class B-1 Subsequent Margin**" and, together with the Class B-1 Initial Margin, the "**Class B-1 Margin**");

(3) in the case of the Class C Notes:

- (x) in respect of the Initial Accrual Period, (a) for the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, 2.90 per cent. per annum (the "**Class C Initial Higher Margin**") and (b) for the period from and including the date of the Refinancing to, but excluding, the following Payment Date, 2.05 per cent. per annum (the "**Class C Initial Lower Margin**" and, together with the Class C Initial Higher Margin, the "**Class C Initial Margin**"; and

- (y) thereafter, 2.05 per cent. per annum (the "**Class C Subsequent Margin**" and, together with the Class C Initial Margin, the "**Class C Margin**");
- (4) in the case of the Class D Notes:
  - (x) in respect of the Initial Accrual Period, (a) for the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, 3.70 per cent. per annum (the "**Class D Initial Higher Margin**") and (b) for the period from and including the date of the Refinancing to, but excluding, the following Payment Date, 3.00 per cent. per annum (the "**Class D Initial Lower Margin**" and, together with the Class D Initial Higher Margin, the "**Class D Initial Margin**"); and
  - (y) thereafter, 3.00 per cent. per annum (the "**Class D Subsequent Margin**" and, together with the Class D Initial Margin, the "**Class D Margin**");
- (5) in the case of the Class E Notes: 5.90 per cent. per annum (the "**Class E Margin**"); and
- (6) in the case of the Class F Notes: 6.50 per cent. per annum (the "**Class F Margin**").

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

"**Class B-2 Fixed Rate**" means:

- (1) in respect of the Initial Accrual Period, (x) for the period from and including the immediately preceding Payment Date to, but excluding, the date of the Refinancing, 2.71 per cent. per annum and (y) for the period from and including the date of the Refinancing to, but excluding, the following Payment Date, 2.00 per cent. per annum; and
- (2) thereafter, 2.00 per cent. per annum.

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

"(i) Optional Redemption in Whole - Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), 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 or any Refinancing Proceeds (or a combination thereof):

- (A) on any Business Day falling, in the case of (I) any redemption in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*), on or after expiry of the Reinvestment Period and (II) any redemption in accordance with Condition 7(b)(vi) (*Optional Redemption effected through Liquidation only*), on or after expiry of the

Non-Call Period, in each case at the direction of the Subordinated Noteholders acting by an Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

- (B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices)."

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

- "(ii) Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral 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 (other than, prior to the expiry of the Reinvestment Period, the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes or the Class D Notes) may be redeemed by the Issuer at the applicable Redemption Prices, solely from Refinancing Proceeds (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the written direction of the Collateral Manager. No such Optional Redemption may occur unless any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes."

## **USE OF PROCEEDS**

The estimated net proceeds of the issue of the Refinancing Notes are expected to be approximately €316,566,040. Such proceeds will be used by the Issuer to redeem the Refinanced Notes at the aggregate Redemption Prices (including, in each case, the Accrued Interest Amount) of the entire Class or Classes of Rated Notes subject to the Refinancing. Refinancing Costs will be paid as Administrative Expenses and/or Trustee Fees and Expenses, as applicable, in accordance with the Conditions.

## **RATINGS OF THE NOTES**

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

It is a condition of the issue and sale of the Refinancing Notes that the Refinancing Notes be issued with at least the following ratings: the Class A Notes: "Aaa (sf)" from Moody's and "AAAsf" from Fitch; the Class B-1 Notes and the Class B-2 Notes: "Aa2 (sf)" from Moody's and "AAsf" from Fitch; the Class C Notes: "A2sf" from Moody's and "Asf" from Fitch and the Class D Notes: Baa2(sf) and BBBsf.

## THE ISSUER

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

### Issuer

The Issuer was re-registered as a designated activity company limited by shares under Part 20 of the Companies Act 2014 of Ireland (as amended) on 3 March 2017.

### Directors

The directors of the Issuer and their respective business addresses and principal activities outside the Issuer are:

Name	Address	Principal Activities/Position
Carmel Naughton	27 Victoria Villas, Clontarf, Dublin 3, Ireland	Director
Bianca Schwarze	13 Swords Manor Crescent, Swords, Co. Dublin, Ireland	Director

The Secretary of the Issuer is: Deutsche International Corporate Services (Ireland) Limited.

The registered office of the Secretary of the Issuer is at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The registered office of the Issuer is at: 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland

The telephone number of the Issuer is: +353 1 680 6000.

### Auditors

The independent auditor of the Issuer is Deloitte of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland, who are registered auditors regulated by the Institute of Chartered Accountants in Ireland.

## THE COLLATERAL MANAGER

*The Issuer has accurately reproduced the information contained in the section entitled “The Collateral Manager” from information provided to it by the Collateral Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Arranger, the Initial Purchaser or any other party and none of such Persons assumes any responsibility for the accuracy, completeness or applicability of such information. The delivery of this Offering Circular shall not create any implication that there has been no change in the affairs of the Collateral Manager or of its Affiliates since the date of this Offering Circular, or that the information contained or referred to herein is correct as of any time subsequent to the date of this Offering Circular.*

### **General**

CVC Credit Partners Group Limited will act as the Collateral Manager. The Collateral Manager was incorporated in Jersey (registered number 93193) on 20 April 2006 and its registered address is Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST.

CVC Credit Partners Group Limited is a wholly-owned subsidiary of CVC Credit Partners LP (“**CVC Credit Partners**”).

CVC Credit Partners Group Limited is the named collateral manager on 7 European CLO transactions.

CVC Credit Partners had US\$15.8 billion of assets under management as of 31 December 2016. CVC Credit Partners manages the investments of multiple investment vehicles and funds focused on investments in sub-investment grade companies in both Europe and the U.S., including the Issuer. As at 31 December 2016, CVC Credit Partners had 52 investment professionals based in London and New York.

In December 2011, CVC Group agreed to merge its European credit business with Apidos Capital Management (“**Apidos**”), the sub-investment grade credit manager of Resource America, to create CVC Credit Partners, a global credit manager specialising in sub-investment grade corporate debt.

CVC Credit Partners is currently indirectly owned 76 per cent. by CVC Capital Partners Credit Partners Holdings III Limited, a subsidiary of CVC Credit Partners Group Holding Foundation. In September 2016, Resource America, which previously indirectly owned 24 per cent. of CVC Credit Partners was acquired by C-III Capital Partners LLC, which included Resource America’s 24 per cent. indirect interest in CVC Credit Partners.

### **Capital**

The issued share capital of the Collateral Manager is divided into 35,000 Ordinary Shares of nominal value held by CVC Credit Partners General Partner Limited as general partner of CVC Credit Partners L.P.

### **Financing**

The Collateral Manager has the benefit of a €10,000,000, multi-currency, revolving working capital facility provided to it by CVC Capital Partners Finance Limited (the “**CVC Working Capital Facility**”) the purpose of which is to, among other things, make funds available to the Collateral Manager for the purpose of its acquisition of Originator Assets from time to time, including in circumstances when the conditions to onward sale of an Originator Asset have not been satisfied (as described further in “*The Retention Holder and Retention Requirements*”). CVC Capital Partners Finance Limited has full recourse to the Collateral Manager with respect to any amount advanced to the Collateral Manager under the CVC Working Capital Facility.

### ***Credit Risk Mitigation***

The Collateral Manager has internal written 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 Collateral Manager in this regard broadly include the following:

- (a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Collateral Debt Obligations, see the information set out in the 2014 Offering Circular headed "*The Portfolio*" which describes the criteria that the selection of Collateral Debt Obligations to be included in the Portfolio is subject to;
- (b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Collateral Manager – please see the sections of the 2014 Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management Agreement*");
- (c) adequate diversification of credit portfolios given the overall credit strategy (as to which, in relation to the Portfolio, see the section of the 2014 Offering Circular headed "*The Portfolio – Portfolio Profile Tests and Collateral Quality Tests*"); and
- (d) policies and procedures in relation to risk mitigation techniques (as to which, see further the sections of the 2014 Offering Circular headed "*The Portfolio*" and "*Description of the Collateral Management Agreement*"), which describes the ways in which the Collateral Manager is required to monitor the Portfolio).

### ***Directors and Company Secretary***

The directors of the Collateral Manager, their business occupations and their business addresses are as follows:

Jonathan Christian Bowers	Partner, 111 Strand, London WC2R 0AG
Christopher Dillon Allen	Partner, 712 5th Avenue, 42nd Floor, New York, NY 10019
Stephen Philip Linney	Non-Executive Director, Le Petit Touessrok, La Vielle Charriere, St Martin, Jersey, JE3 6DL, Channel Islands
Douglas Jeffrey Maccabe	Non-Executive Director, 1st Floor, 10 Bond Street, St Helier, Jersey, JE3 2NP, Channel Islands
Sue Chittenden	Associate Director, Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST

None of the directors of the Collateral Manager will have received any fee or inducement to become a director although the employer of Sue Chittenden will receive fees for corporate services provided.

The Company Secretary is State Street Secretaries (Jersey) Limited.



## THE SUB-MANAGER

*The Issuer has accurately reproduced the information contained in the section entitled "The Sub-Manager" from information provided to it by the Sub-Manager but it has not independently verified such information. So far as the Issuer is aware and is able to ascertain from information published by the Sub-Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. The information relating to the Sub-Manager has not been independently verified by the Issuer. Accordingly, notwithstanding anything to the contrary herein, the Issuer does not assume any responsibility for the accuracy, completeness or applicability of such information. The Sub-Manager accepts responsibility for the information contained in this section.*

### Overview

CVC Credit Partners Investment Management Limited was incorporated in the United Kingdom on 16 November 2010 with company registration number 07441828 and prior to 24 April 2012 was known as CVC Cordatus Investment Management Limited.

The Sub-Manager is a wholly-owned subsidiary of the Collateral Manager and is regulated by the FCA.

In addition to acting as Sub-Manager for the Issuer, CVC Credit Partners Investment Management Limited acts as investment manager to certain other vehicles as well as separate investment entities.

### Relationship with the Collateral Manager

In accordance with the terms agreed between them, the Collateral Manager has delegated its day-to-day duties with respect to the management of the CLOs established by it from time to time, as collateral manager, to the Sub-Manager. The Sub-Manager may also make proposals to the Collateral Manager in relation to the purchase and disposal of Collateral Debt Obligations by the Collateral Manager from time to time, as well as proposing to which CLO (if any) a Collateral Debt Obligation should be the subject of an onward sale and the means by which any onward sale should take effect. See "*The Retention Holder and Retention Requirements – Origination of Collateral Debt Obligations*" for further details. In relation to any proposal to acquire or dispose of any Collateral Debt Obligation made by the Sub Manager, the Collateral Manager's investment sub-committee (consisting of, at all times, at least one independent director) may in its absolute discretion choose to accept or reject any proposal made to it by the Sub-Manager. The Sub-Manager shall be paid the Sub-Manager Services Fee by the Collateral Manager for performing the collateral management functions described herein. The Issuer shall not be liable to make any payment to the Sub-Manager in connection with the issuance of the Notes or the management of the Portfolio.

The Collateral Manager, through its board of directors, also review the decisions which are being made by the Sub-Manager on behalf of the Collateral Manager, from time to time, to ensure the proper performance of the duties of Collateral Manager by the Sub-Manager and the Collateral Manager shall at all times remain liable for any decision taken by the Sub-Manager on its behalf.

### Key Personnel

The following are the key personnel of CVC Credit Partners (those employed by the Sub-Manager are denoted with an asterisk):

<b>Name</b>	<b>Title</b>	<b>Years' Experience</b>
Stephen Hickey	Partner, Chief Investment Officer	29
Jonathan Bowers*	Partner, Senior Portfolio Manager	24
Gretchen L. Bergstresser	Partner, Senior Portfolio Manager	29
Christopher D. Allen	Partner, Head of Structured Finance Origination	22
Mark DeNatale	Partner, Global Head of Trading	23
Guillaume Tarneaud*	Managing Director, Portfolio Manager	13
Andrew Davies*	Senior Managing Director, Portfolio Manager	15
Francois Manivel*	Director, Assistant Portfolio Manager	18
Tom Newberry	Partner, Head of Private Funds	32
Philip Raciti	Managing Director, Portfolio Manager	16
Kevin O'Meara	Managing Director, Portfolio Manager	15

#### **Other Key Personnel**

<b>Name</b>	<b>Title</b>	<b>Years' Experience</b>
Brandon Bradkin*	Partner, Chief Operating Officer	25
Stuart Levett*	Managing Director	18
Oscar Anderson	Managing Director, Portfolio Manager	25
Scott Bynum	Managing Director, Portfolio Manager	12
Caroline Benton	Managing Director	19
Christopher Hojlo	Managing Director	20
Neale Broadhead*	Managing Director, Portfolio Manager	30
Chris Fowler*	Managing Director	17
Ran Landmann*	Managing Director	18
Sue Player	Director, Assistant Portfolio Manager	32

#### **Stephen Hickey — Partner, Chief Investment Officer**

Stephen joined CVC Credit Partners in April 2012 from Goldman Sachs where he spent 20 years in various senior roles, including global head of leverage finance, co-head of global loans, member of the firm wide risk

and firm wide capital committees and head of loan sales and secondary trading (proprietary investing and flow trading). Stephen was a partner at Goldman Sachs from 2004 to 2011. Prior to re-joining Goldman Sachs, Stephen was a managing director and head of loan syndications, sales and trading at Donaldson Lufkin & Jenrette (or DLJ), after starting the business at DLJ in 1996. Stephen was a member of the board of directors for the Loan Syndications and Trading Association from 2001 to 2006. Stephen earned a JD and an MBA from Columbia University in 1987 and a BA from Yale University in 1983. He is a member of the State of Connecticut Bar.

**Jonathan Bowers — Partner, Senior Portfolio Manager**

Jonathan, who also serves as a director of CECO, founded CVC Cordatus (a predecessor to CVC Credit Partners). Jonathan has over 20 years of investment banking and investment management experience. Previously he was a senior director in the European leveraged finance group at Deutsche Bank (Bankers Trust), originating and structuring numerous financings for leveraged buyouts, public to privates and corporate re-financings across senior, mezzanine, high yield and PIK investments. Prior to this, Jonathan worked in mergers and acquisitions at Charterhouse Bank after having completed the Citibank analyst programme in London and New York. He is a partner, member of the board of directors and portfolio manager at the Sub-Manager, responsible with Andrew Davies for portfolio management of the Issuer and the Conversion Vehicle. Jonathan holds an MA in French and History from the University of Oxford.

**Gretchen L. Bergstresser — Partner, Senior Portfolio Manager**

Gretchen Bergstresser is the senior portfolio manager and Head of US Performing Credit for CVC Credit Partners. Previously, she founded Apidos Capital Management in 2005 where she had a similar role and responsibility. Over her nearly 30 years in the industry, she has also worked at Eaton Vance, Bank of Boston, ING and other financial institutions. She earned an M.B.A. from Boston University, an M.S. in Chemistry from the Pennsylvania State University and a B.S. from St. Lawrence University. In January 2016, Gretchen was elected to the board of directors for the Loan Syndications and Trading Association.

**Christopher D. Allen — Partner, Head of Structured Finance Origination**

Christopher is a Partner and Head of Structured Finance Origination of CVC Credit Partners LLC. Previously, he co-founded the U.S. business of CVC Credit Partners (formerly known as Apidos Capital Management prior to the merger with CVC Cordatus) in 2005, where he was in charge of the oversight of the global leveraged loan platform, business development and strategic initiatives. Prior to founding Apidos Capital in 2005, he was a Senior Managing Director of Resource America, where he helped grow the firm's asset management business. Before 2003, he was a Vice President at Trenwith Securities and an Associate at Citicorp Venture Capital focusing on management buyouts, private equity and debt transactions. Christopher received his B.A. from Harvard University and received his J.D. from New York University School of Law.

**Mark DeNatale — Partner, Global Head of Trading**

Mark is a Partner and Global Head of Trading at CVC Credit Partners. Prior to joining CVC Credit Partners, Mark spent 17 years at Goldman Sachs where he was a Managing Director and Head of Loan Trading, managing risk across distressed, stressed and performing credit. Mark actively invested and traded across the capital structure including loans, bonds, equities and derivatives; he was also instrumental in developing a European loan trading platform. Mark is a former member of the board of directors of the Loan Syndications and Trading Association and graduated from Boston College in 1994.

**Guillaume Tarneaud — Managing Director, Portfolio Manager**

Mr. Tarneaud joined CVC Credit Partners in 2007. Previous experiences include working in the Leveraged Finance department at Natixis in Frankfurt and in the Deloitte's restructuring advisory team in Paris. Guillaume

graduated from EM Lyon Business School with a MSc in Management and from Paris Pantheon-Assas University with a Master's Degree in Corporate and Tax Law.

**Andrew Davies —Senior Managing Director, Portfolio Manager**

Andrew joined CVC Credit Partners in 2010. Andrew has 12 years of debt capital markets, corporate finance advisory and investment management experience. Most recently, Andrew was at GSC Group (formally Greenwich Street Capital Partners) in London where he was responsible for trading, sourcing, analysis and portfolio management across investment strategies. Prior to this, Andrew provided corporate finance advice to technology and media start-ups at Cobalt Corporate Finance after spending five years at Bear Stearns International's European merger and acquisition finance and fixed income trading. Andrew is a senior managing director and portfolio manager of the Sub-Manager, responsible with Jonathan Bowers for portfolio management of the Issuer.

**Francois Manivel — Director, Assistant Portfolio Manager**

Prior to joining CVC Credit Partners (formerly known as Apidos Capital Management, prior to the merger in 2012) in 2008, Mr. Manivel worked for Apidos European subsidiary Resource Europe Management Ltd., Prior to REML Mr. Manivel was a Vice President at NIBC Bank NV in London where he was responsible for monitoring the European leveraged loan portfolio of the bank and the three CDO funds. Prior to NIBC, Mr. Manivel worked as a Manager for 4 years with IKB Deutsche Industriebank AG in Paris in the acquisition finance department. At IKB, he monitored the portfolio of leveraged French credits, provided support to the originators and negotiated restructurings and work-outs of nonperforming assets. Prior to joining IKB, Mr. Manivel worked as an Analyst at Bank of Scotland Structured Finance in Paris and Edinburgh. Mr. Manivel graduated from EDHEC Business School (Lille à France) with a Master's Degree in Management.

**Tom Newberry — Partner, Head of Private Funds**

Tom joined the CVC Credit Partners in 2012 after spending 11 years at Credit Suisse, where he was a managing director and head of global leveraged finance capital markets and syndicated loans. In this capacity, he was responsible for the underwriting of all high yield bond, mezzanine and syndicated loan transactions, as well as the sale and trading of both par and distressed loan assets. Tom joined Credit Suisse in November 2000 when Credit Suisse First Boston (or CSFB) merged with DLJ, where he was a managing director and head of U.S. loan capital markets. He joined DLJ in 1996 from Deutsche Bank where he was a managing director and head of North American loan syndications, responsible for all aspects of syndicated loan underwriting and distribution. Prior to that, Tom worked at Toronto-Dominion Securities and NCNB National Bank. Tom served on the board of directors of the Loan Syndication & Trading Association for six years, acting as both chairman and vice chairman. Tom received his BA from the University of Virginia in 1984.

**Oscar Anderson — Managing Director, Portfolio Manager**

Oscar joined Apidos (a predecessor to CVC Credit Partners) in December 2008. In June 2007, Oscar co-founded Tri-Mountain Partners, LLC, an alternative investment management business focused on hedge fund and direct private equity investments. Previous associations: Director in the high yield sales and trading group of Wachovia Securities in New York City, Executive Director in the leveraged finance group of CIBC World Markets, Equity Research Associate in the Investment Management Policy Group at Brown Brothers Harriman & Co., investment banking analyst at Solomon Brothers Inc. Oscar received his BA from Harvard University.

**Caroline Benton — Managing Director, Portfolio Manager**

Caroline joined CVC Credit Partners in July 2013. Previously, Caroline spent 15 years at Goldman Sachs in proprietary investing and risk management functions in the Special Assets, Global Bank Loan Distressed Investing, and Special Situations Investing groups within the Fixed Income division. Caroline holds a BA in Economics and Managerial Studies from Rice University.

**Neale Broadhead — Managing Director, Portfolio Manager**

Neale joined CVC Credit Partners in 2014 from Lloyds Banking Group, where he was a Managing Director and Head of the Mid Market Acquisition Finance Group which he founded in 2004. Prior to this, Neale worked as Executive Director and Originator at BNP Paribas arranging and underwriting mid-market debt facilities in the UK and Europe. Neale holds a BSc (Hons) in Economic History from the University of Wales.

**Scott Bynum — Managing Director, Portfolio Manager**

Scott joined CVC Credit Partners in January 2013. Prior to joining the Sub-Manager, Scott spent eight years at Goldman Sachs where he was a Vice President in a proprietary investing capacity. During the most recent six years at Goldman Sachs, he was in the Global Bank Loan Distressed Investing group where he was responsible for hedging and portfolio analytics as well as leading investments across the capital structure in public and private companies. For the prior two years, Scott was an analyst in the Relative Value Trading group within the Structured Credit division. Scott graduated magna cum laude with a B.S.E from Princeton University.

**Christopher Hojlo — Managing Director**

Christopher joined CVC in 2011 and is based in New York. Prior to joining CVC, Chris was a Principal at Court Square Capital Partners, where he led the firm's financial services investing efforts. Previously, Chris worked at DLJ Merchant Banking Partners. He received an A.B. cum laude in Economics from Harvard University and an MBA from the Tuck School of Business at Dartmouth.

**Chris Fowler — Managing Director**

Chris joined CVC Credit Partners in 2015 from GE Capital, where he was a Managing Director in the mid-market Leveraged Finance Origination team. During his 10 years at GE, Chris arranged over 50 financings across Europe and the US, including senior, mezzanine, unitranche and high-yield facilities. Chris was also involved in launching the successful GE-Ares unitranche JV. Prior to this, Chris started his career with Morgan Stanley in the Investment Banking Division and Morgan Stanley Strategic Ventures, the firm's corporate VC fund. Chris holds a BSc (Hons) in Managerial & Administrative Studies from Aston University, Birmingham.

**Ran Landmann — Managing Director, Portfolio Manager**

Ran joined CVC Credit Partners in September 2013. Before that Ran covered European distressed/stressed credits including corporate, sovereign and financial names at Owl Creek Europe Management and Sandell Asset Management. Previously he worked at CVC Equity Partners focussing on European private equity and at Credit Suisse First Boston's media and telecoms team, both in London. Ran graduated with a BSc in Business Economics from Queen Mary and Westfield University, University of London.

**Brandon Bradkin — Partner**

Prior to joining CVC Credit Partners, Brandon spent six years at Park Square Capital where he was a Partner and member of its investment committee. Before joining Park Square, he was a Managing Director at Dresdner Anschutz Mezzanine Fund. Previously, Brandon helped lead the restructuring and sale of two distressed portfolio companies. He has also been a Vice President in Investment Banking at Chase in London. Brandon began his career at O'Melveny & Myers in Los Angeles after clerking for Judge John Minor Wisdom. Brandon has a J.D. from Harvard Law School and an A.B. from Harvard College. Brandon also serves as a director of CECO and is a member of the board of directors of the Sub-Manager.

**Stuart Levett — Managing Director**

Stuart joined CVC Credit Partners in April 2013. Stuart has spent more 16 years in banking with expertise in sourcing/origination, managing and trading of performing, leveraged, stressed and distressed assets. Stuart spent

8 years with Credit Suisse in sales and distressed origination and 2 years with its predecessor Donaldson, Lufkin & Jenrette, in leverage sales. More recently, Stuart was a Managing Director and senior originator of distressed assets and leverage sales at UBS, responsible for sourcing impaired and distressed single line assets, claims, equity and portfolios, trading through capital structures and asset classes. Stuart was also one of the founding members of the London trading platform for Cantor Fitzgerald in 2009.

**Kevin O'Meara — Managing Director, Portfolio Manager**

Kevin joined CVC Credit Partners, LLC in May 2007 as an analyst covering the Gaming, Cable and Advertising-Dependent Media industries. In 2013, Kevin transitioned into a Portfolio Management position with a primary focus on the company's CLO platform; he is also a voting member of the U.S. Performing Credit Investment Committee. Prior to joining CVC Credit Partners, LLC, Kevin spent five years at Prudential Financial where he received his formal credit training and worked as an Analyst in the company's leveraged loan group. Kevin holds a BSc Degree in Finance from the University of Scranton and earned an MBA in Finance from Fordham University's Graduate School of Business.

**Philip Raciti — Senior Managing Director, Portfolio Manager**

Philip is a portfolio manager within the U.S. Performing Credit business for CVC Credit Partners. Mr. Raciti joined Apidos Capital (a predecessor to CVC Credit Partners) in March 2005, where he was responsible for research, trading and technology initiatives for the platform. Philip manages the U.S. performing research and trading team, and is a voting member of the U.S. Performing Credit Investment Committee. Prior to joining Apidos, he spent 5 years at INVESCO Senior Secured Management as a senior credit analyst. Philip received his BA in Politics, Philosophy and Law from Binghamton University.

**Sue Player — Director, Assistant Portfolio Manager**

Ms. Player joined CVC Cordatus in January 2007 and has over 16 years of leveraged finance experience. Ms. Player joined from IKB Deutsche Industriebank where she was responsible for sourcing and execution of new investments in a wide range of transactions in the European leveraged loan market. Prior to this, she spent 14 years with NatWest bank where inter alia she worked in the structured finance division. Ms. Player holds a Banking Certificate from the Chartered Institute of Bankers.

## THE RETENTION HOLDER AND RETENTION REQUIREMENTS

*The following description contains a summary of certain provisions of the Risk Retention Letter, as amended, which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement.*

### Description of the Retention Holder

CVC Credit Partners Group Limited shall act as Retention Holder for the purposes of the EU Retention Requirements and the US Retention Requirements.

The description and the address of the Retention Holder is set out in the “*The Collateral Manager*” section of this Prospectus.

### The Retention – EU Retention Requirements

On the Original Issue Date of the Refinanced Notes, the Retention Holder executed the Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and Goldman Sachs International in its capacity as arranger for the Refinanced Notes. On and from the Issue Date of the Refinancing Notes, the Retention Letter will also apply in respect of the Refinancing Notes and BNP Paribas as arranger for the Refinancing Notes will have the benefit of the Retention Letter.

The Retention Holder will hold the Retention Notes (as defined below) in its capacity as originator for the purposes of the EU Retention Requirements. Pursuant to the Eligibility Criteria, the Issuer shall not purchase Collateral Debt Obligations from parties other than the Retention Holder unless the Retention Holder is and remains the originator of the Required Percentage of all Collateral Debt Obligations acquired, or committed to be acquired, by the Retention Holder.

Under the Retention Letter, the Retention Holder will undertake and agree:

- (a) to subscribe for (at the initial issuance and each subsequent date of additional issuance of Notes) and retain, on an ongoing basis and for its own account, a material net economic interest in the transaction which will be comprised of not less than 5 per cent. of the nominal value of each Class of Notes within the meaning of paragraph 1(a) of Article 405 of the CRR and Article 51(1)(a) of the AIFMD (the “**Retention Notes**”);
- (b) that it and its Affiliates will not sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes unless expressly permitted by the EU Retention Requirements;
- (c) that, in relation to every Collateral Debt Obligation and Eligible Investment (other than cash or those acquired from Interest Proceeds) that it sells or transfers to the Issuer:
  - (i) that it, either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such obligation; or
  - (ii) that it purchased or will purchase such Collateral Debt Obligation or Eligible Investment for its own account prior to selling such obligation to the Issuer;
- (d) to confirm its continued compliance with the requirements set out in paragraphs (a) to (c) above:
  - (i) on a monthly basis to the Issuer, the Collateral Manager, the Trustee, the Collateral Administrator and the Arranger (concurrent with the delivery of each Monthly Report); and

- (ii) upon any written request therefore by or on behalf of the Issuer or any Affected Investor delivered as a result of (1) a material change in (x) the performance of the Notes, (y) the risk characteristics of the Notes, or (z) the Collateral Debt Obligations and/or the Eligible Investments from time to time, or (2) the breach of any Transaction Document to which it is a party;
- (e) that it will, promptly on becoming aware of the occurrence thereof, provide a written notice to the Issuer, the Trustee, the Collateral Administrator and the Arranger of (i) any failure to hold the Retention Notes in accordance with paragraphs (a) and (b) above (ii) any representations in the Retention Letter failing to be true on any date;
- (f) that it will 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 (i) the Issue Date and (ii) 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 the maturity of the Notes; and
- (g) that it will notify the Collateral Administrator in writing of any sale, disposal or acquisition of an interest in the Retention Notes by the Retention Holder promptly following such sale, disposal or acquisition,

provided, however, that the Retention Holder may transfer the Retention Notes to the extent such transfer would not cause the transaction described in this Prospectus to cease to be compliant with the EU Retention Requirements.

### **Origination of Collateral Debt Obligations**

The Retention Holder may acquire Proposed Collateral Debt Obligations in the primary market or in the secondary market from third parties (“**Market Sellers**”) prior to transfer to the Issuer. In accordance with the Eligibility Criteria, the majority of assets acquired by the Issuer will be acquired from the Retention Holder.

In the majority of such cases, the Retention Holder will acquire a Proposed Collateral Debt Obligation and immediately enter into a matching purchase with the Issuer, whereby Issuer shall commit to purchase and settle any such Proposed Collateral Debt Obligation from the Retention Holder on the same dates and for the same purchase price as the Retention Holder has committed to purchase and settle that Proposed Collateral Debt Obligation from the relevant Market Seller (which shall be no earlier than 15 Business Days after the date of such commitment to purchase). The Issuer, the Retention Holder and the Market Seller shall enter into a multilateral netting agreement (the “**Netting Agreement**”) with respect to such Proposed Collateral Debt Obligation, which shall provide for the relevant Market Seller to enter into the assignment or transfer agreement required to effect the transfer of such Proposed Collateral Debt Obligation directly with the Issuer. Pursuant to the Netting Agreement, the Issuer shall, on the date of settlement, pay the purchase price of the Proposed Collateral Debt Obligation to the Retention Holder, which the Retention Holder shall then correspondingly pay to the Market Seller. However, in the event that any Proposed Collateral Debt Obligation does not as at the date falling 15 Business Days after the relevant trade date meet certain conditions precedent, including if such obligation becomes defaulted, the Issuer will not be obliged to complete the purchase of the relevant asset on the applicable settlement date (and the Market Seller shall in such case settle such Proposed Collateral Debt Obligation directly with the Retention Holder).

Alternatively, the Retention Holder may acquire and hold a Proposed Collateral Debt Obligation on its books and records for its own account for at least two Business Days prior to any transfer to the Issuer. The Retention Holder will agree that each such Proposed Collateral Debt Obligation will be sold to the Issuer at the Market Value of such Proposed Collateral Debt Obligation at the time of transfer to the Issuer. For administrative convenience, any assignment or transfer agreement required to be executed and delivered in connection with transfer of any such Proposed Collateral Debt Obligation in accordance with the terms of the related Underlying



Instrument may reflect that the relevant Market Seller is assigning such Proposed Collateral Debt Obligation directly to the Issuer.

## **US Credit Risk Retention**

*The information appearing in this section is being provided for the purpose of the “sponsor” satisfying its pre-sale disclosure obligations with respect to an “eligible vertical interest” under the US Retention Requirements, the determinations of which have been made by the “sponsor”. For purposes hereof, the Sub-Manager would be considered to be a “sponsor” under the US Retention Requirements. See “Risk Factors—Regulatory Initiatives—US Risk Retention”. Pursuant to the US Retention Requirements, the “sponsor” is required to provide or cause to be provided to investors a reasonable period of time prior to the sale of any asset-backed securities in a securitization transaction and a reasonable time after the closing of the securitization transaction the vertical interest disclosures described in this section. Such vertical interest disclosures must include a description of the form of the “eligible vertical interest,” the percentage that the “sponsor” is required to retain, a description of the material terms of the vertical interest and the amount the “sponsor” expects to retain at the closing of the securitisation transaction. In adopting the US Retention Requirements, the relevant governmental authorities indicated that the purpose of these vertical interest disclosures was to allow investors to adequately analyse the amount of the “sponsor’s” economic interest (“skin in the game”) in a given securitisation transaction. As such, the information set forth in this section should not be relied upon or used for any other purpose. The Sub-Manager is required under the US Retention Requirements to ensure that it (or a Majority-Owned Affiliate) acquires, and thereafter retains during a specified period, an economic interest in the credit risk of the assets collateralising the issuance of “asset-backed” securities (being not less than five per cent. of the credit risk of the assets collateralising the CLO issuer's securities).*

The Sub-Manager, in its capacity as sponsor, intends to satisfy the US Retention Requirements by causing the Collateral Manager (as a Majority-Owned Affiliate of the Sub-Manager) to acquire and thereafter retain during the period required by the US Retention Requirements, an eligible vertical interest (the “**EVI**”) equal to not less than five per cent. of the principal amount of each Class of Refinancing Notes issued by the Issuer on the Issue Date (the “**US Retention Notes**”) and it will comply with all legal requirements imposed on the "sponsor of a securitization transaction", including without limitation retaining the EVI, in accordance with the US Retention Requirements.

The specified period (the “**US Retention Period**”) during which the Retention Holder is obliged by the US Retention Requirements to retain, either directly or through a Majority-Owned Affiliate, the EVI commences with the Issue Date and ends on the latest of: (a) the date on which the total principal balance outstanding of the Collateral Debt Obligations has been reduced to 33 per cent. of the total principal balance outstanding of the Collateral Debt Obligations as of the cut-off date or similar date for establishing the composition of the securitised assets, (b) the date on which the total principal balance outstanding of the Notes has been reduced to 33 per cent. of the total principal balance outstanding of the Notes at the Issue Date and (c) two years after the Issue Date.

## THE COLLATERAL ADMINISTRATOR

*The information appearing in this section has been prepared by the Collateral Administrator and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Collateral Administrator assumes any responsibility for the accuracy or completeness of such information.*

*The Issuer confirms that the information appearing in this section has been accurately reproduced and that as far as the Issuer is aware, and is able to ascertain from information published by the Collateral Administrator, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### **Collateral Manager**

The Bank of New Mellon SA/NV, Dublin Branch is a branch of a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap located at 4th Floor, Hanover Building, Windmill Lane, Dublin 2, Ireland. The Bank of New Mellon SA/NV was granted its banking license by the former CBFA on March 10 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussels. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (“BNYM”), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in Global Custody, Local Custody, Global Clearing, Global Collateral Management, Global Markets, Securities Lending and Depot Bank. The Bank of New York Mellon SA/NV operates from locations in Belgium, The Netherlands, Germany, London, Luxembourg, Paris and Dublin.

## THE LIQUIDITY FACILITY PROVIDER

*The information appearing in this section has been prepared by the Liquidity Facility Provider and has not been independently verified by the Issuer, the Initial Purchaser or any other party. None of the Initial Purchaser or any other party other than the Liquidity Facility Provider assumes any responsibility for the accuracy or completeness of such information.*

*The Issuer confirms that the information appearing in this section has been accurately reproduced and that as far as the Issuer is aware, and is able to ascertain from information published by the Liquidity Facility Provider, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### **The Bank of New York Mellon, London Branch**

The Bank of New York Mellon, a New York state chartered bank (“**Bank**”), is one of the two principal banking subsidiaries of The Bank of New York Mellon Corporation (NYSE: BK), a bank holding company and a financial holding company (“**BNY Mellon**”). BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of 31 December 2016, BNY Mellon had \$29.9 trillion in assets under custody and/or administration, and \$1.6 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. Visit our newsroom at [www.bnymellon.com/newsroom](http://www.bnymellon.com/newsroom) for the latest company news.

BNY Mellon's and the Bank's ratings information is available at <http://www.bnymellon.com/investorrelations/creditratings.html>. A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

BNY Mellon's principal office is located at 225 Liberty Street, New York, New York 10286. A copy of the most recent Annual Report on Form 10-K of BNY Mellon may be obtained from [www.bnymellon.com](http://www.bnymellon.com). For additional information about BNY Mellon, please refer to the reports filed with the Securities Exchange Commission, including BNY Mellon's Annual Report on Form 10-K, proxy statement, quarterly reports on Form 10-Q and current reports on Form 8-K, available at [www.sec.gov](http://www.sec.gov).

## THE PORTFOLIO

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

### **Collateral Debt Obligations**

The most recent Monthly Report (as defined in the 2014 Offering Circular) prior to the Refinancing Date with respect to the Collateral Debt Obligations will be filed with the Irish Stock Exchange and is available for viewing at: <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=6641&FIELDSORT=docId>. Such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Debt Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Debt Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the reports. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Collateral Debt Obligations as of the date of this Offering Circular or on or after the Refinancing Date. The Initial Purchaser did not participate in the production of the Latest Monthly Report or any other Monthly Report, takes no responsibility in respect of any report, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information, estimates, approximations or projections contained therein.

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

### **Eligibility Criteria**

Each Collateral Debt Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer, satisfy the eligibility criteria, as set out in the 2014 Offering Circular, as determined by the Collateral Manager in its reasonable discretion. See "The Portfolio – Eligibility Criteria" in the 2014 Offering Circular.

### **Portfolio Profile Tests and Collateral Quality Tests**

#### *Fitch Tests Matrix and Moody's Tests Matrix*

Each of the Fitch Tests Matrix and the Moody's Tests Matrix set out in the Collateral Management Agreement is amended pursuant to the Amending Deed. For the purpose of Condition 14(c)(xvi) (*Modification and Waiver*), the Noteholders of the Refinancing Notes which are Class A Notes (the Controlling Class) consent to the modification of each of the Fitch Tests Matrix and the Moody's Tests Matrix set out in the Collateral Management Agreement by their subscription for such Class A Notes.

In addition, each of the following definitions set out in the Collateral Management Agreement is amended pursuant to the Amending Deed:

- (a) paragraph (b) of the definition of "Minimum Weighted Average Floating Spread" is amended to refer to a Minimum Weighted Average Spread of below "3.00 per cent.", rather than "3.5 per cent."; and
- (b) the definition of "Weighted Average Life Test" is amended to refer to "22 January 2023", rather than "15 July 2022",

pursuant to Condition 14(c)(xix)(i) and (ii), respectively.

## TAX CONSIDERATIONS

### General

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

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Refinancing Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Refinancing Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Refinancing Notes.

### Irish Taxation

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

### *Tax Residency*

The Issuer is incorporated in Ireland. The Issuer will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the directors of the Issuer will conduct the affairs of the Issuer in a manner that will allow for this.

### *Withholding Tax*

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which may include interest payable on the Refinancing Notes. However, an exemption from withholding on interest payments exists under Section 64 of the TCA 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.

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and either:
  - (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream Luxembourg, amongst others, are so recognised), or

- (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent, if any) in the prescribed form.

So long as the Refinancing Notes are quoted on a recognised stock exchange and are held in any of Euroclear and Clearstream Luxembourg, interest on the Refinancing Notes can be paid by 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 ceases to apply, the Issuer can still pay interest on the Refinancing Notes free of withholding tax provided it is a “qualifying company” (within the meaning of Section 110 of the TCA, as amended “**Section 110**”) and provided the interest is paid to a person resident in a “relevant territory” (i.e. a Member State (other than Ireland) or in a country with which Ireland has signed a double taxation agreement). 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.

### ***Encashment Tax***

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

### ***Taxation of Noteholders***

Notwithstanding that a Noteholder may receive interest on the Refinancing Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Refinancing Notes may have an Irish source and therefore be within the charge to Irish income tax 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.

However, interest on the Refinancing Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided:

- (a) the Refinancing Notes are quoted Eurobonds and are exempt from withholding taxes as set out above; or
- (b) in the event of the Refinancing Notes ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of Section 110 and the interest is paid out of the assets of the Issuer; or
- (c) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company resident in a relevant territory that generally taxes interest receivable by companies from foreign sources, or the interest is exempt from income tax under the provisions of a double taxation agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

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

In addition, provided that the Refinancing Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Refinancing Notes will be exempt from Irish income tax if the recipient of the

interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control, whether directly or indirectly, of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in a relevant territory or a stock exchange approved by the Irish Minister for Finance. Noteholders receiving interest on the Refinancing Notes which does not fall within the above exemptions may be liable to Irish income tax.

### ***Qualifying Companies Holding Irish Specified Mortgages***

Section 22 of the Irish Finance Act, 2016 amends Section 110 TCA. It applies to qualifying companies which carry on a business of holding, managing or both holding and managing "specified mortgages".

A "specified mortgage" for this purpose is:

- (d) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in Ireland;
- (e) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in Ireland or a loan to which paragraph (a) applies. A specified agreement is defined in Section 110 TCA and includes certain derivatives, swaps or similar arrangements. A specified mortgage does not include a specified agreement which derives its value or the greater part of its value from a CLO transaction, a CMBS/RMBS transaction, a loan origination business or a sub-participation transaction (as defined in Section 110 TCA);
- (f) any portion of a security issued by another qualifying company which carries on the business of holding or managing specified mortgages and which carries a right to results dependent or non-commercial interest; or
- (g) units in an Irish Real Estate Fund (within the meaning of Chapter 1B of Part 27 TCA);

Such activity is defined as a "specified property business". Where the qualifying company carries on a specified property business in addition to other activities, it must treat the specified property business as a separate business and apportion its expenses on a just and reasonable basis between the separate businesses.

Where the qualifying company has financed itself with loans carrying interest which is dependent on the results of that company's business or interest which represents more than a reasonable commercial return for the use of the principal, or has entered into specified agreements (such as swaps) then the interest or return payable will not be deductible for Irish tax purposes to the extent it exceeds a reasonable commercial return which is not dependent on the results of the qualifying company.

This restriction is subject to a number of exceptions. Transactions which qualify as "CLO transactions" should not be subject to the restrictions described above. A CLO transaction is defined as a securitisation transaction carried out in conformity with:

- (a) a prospectus, within the meaning of 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 Ireland or a relevant EU member state; or
- (c) legally binding documents, where the securities issued by the qualifying company will not be listed on an exchange in Ireland or a relevant EU member state. In addition, the transaction:



- (i) may provide for a warehousing period, which 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.

Finally, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, in order for a transaction to be a CLO transaction it must not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages.

In order to benefit from the exception, the qualifying company must not carry out any activities, other than activities which are incidental or preparatory to the transaction or business of a CLO transaction.

As such, the restrictions on deductibility should not apply if either:

- (a) the Issuer does not hold or manage specified mortgages; or
- (b) the Issuer's activities fall within the definition of a CLO transaction.

### ***Capital Gains Tax***

A holder of the Refinancing Notes will be subject to Irish tax on capital gains on a disposal of the Refinancing Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Refinancing Notes are used or held.

### ***Capital Acquisitions Tax***

A gift or inheritance comprising Refinancing Notes will be within the charge to capital acquisitions tax if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Refinancing Notes are regarded as property situate in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time. Registered notes are generally regarded as situated where the principal register of noteholders is maintained or required to be maintained, but the Refinancing Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Refinancing Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor.

### ***Stamp Duty***

On the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999 of Ireland, provided the proceeds of the Refinancing Notes are used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Refinancing Notes.

### ***FATCA Implementation in Ireland***

On 21 December 2012, the Governments of Ireland and the United States signed the Ireland IGA. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 ("the **Irish FATCA Regulations**").

The Ireland IGA and Irish FATCA Regulations will increase the amount of tax information automatically exchanged between Ireland and the United States. They provide for the automatic reporting and exchange of

information in relation to accounts held in Irish “financial institutions” by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the Ireland IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a “financial institution”. The Issuer shall be required to register with the U.S. Internal Revenue Service as a “reporting financial institution” for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it will be required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified U.S. persons, non-participating financial institutions or passive non-financial foreign entities (“**NFFEs**”) that are controlled by specified U.S. persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the U.S. Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of Refinancing Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its U.S. source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on U.S. source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the U.S. Internal Revenue Service specifically identified the Issuer as being a ‘non-participating financial institution’ for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information. Noteholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

### **The Common Reporting Standard in Ireland**

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 (“**CRS**”). The CRS provides that certain entities (known as Financial Institutions) shall identify “Accounts” (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in other CRS participating jurisdiction. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (“**DAC II**”) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (“the **CRS Regulations**”). The Irish Revenue Commissioners have indicated that Irish Financial Institutions will be obliged to make a single return in respect of CRS and DAC II. CRS applies in Ireland from 1 January 2016.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide certain information in respect of the Noteholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Noteholders will be deemed, by their holding of the Refinancing Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other

participating jurisdictions, as applicable. To the extent that the Refinancing Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

## **United States Taxation**

### **Introduction**

This is a discussion of certain U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Refinancing Notes. Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Noteholder based on such Noteholder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum tax or Medicare contribution tax considerations 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, partnerships or other pass-through entities or grantor trusts;
- (ii) are certain former citizens or long-term residents of the United States; or
- (iii) hold Refinancing Notes as part of a "straddle", "hedge", "conversion", "integrated transaction" or "constructive sale" with other investments.

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

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

- (i) a citizen or individual resident of the United States;
- (ii) a corporation created or organised under the laws of the United States or any political subdivision thereof or therein;
- (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or
- (iv) a trust, (i) that validly elects to be treated as a U.S. person for U.S. federal income tax purposes; or (ii)(A) if a court within the U.S. is able to exercise primary supervision over the administration of the trust; and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust.

The term "**non-U.S. Noteholder**" means, for purposes of this discussion, a beneficial owner of the Refinancing Notes that is neither a U.S. Noteholder nor a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

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

This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), 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 U.S. Internal Revenue Service (the “**IRS**”) addressing entities similar to the Issuer or securities similar to the Refinancing Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Refinancing Notes.

Prospective Noteholders should consult their tax advisers 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.

Investors should be aware that a Noteholder may, in certain circumstances, provide the Issuer with cash by way of a Contribution in accordance with Condition 2(k) (*Contributions*). Except as expressly set out below, this discussion does not address the consequences to Noteholders of Contributions.

## **U.S. Characterisation and U.S. Tax Treatment of the Rated Notes**

***Characterisation of the Rated Notes.*** Upon the issuance of the Refinancing Notes, Allen & Overy LLP will deliver an opinion generally to the effect that under current law, assuming compliance with the Transaction Documents, and based on certain assumptions and factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Refinancing Notes will be treated as debt of the Issuer for U.S. federal income tax purposes.

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

***Payments of Interest on the 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 (as defined below) will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Noteholder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average Euro rate for the interest accrual period (or, with

respect to an accrual period that spans two taxable years, the partial period within the taxable year). An accrual method U.S. Noteholder of a Rated Note that uses this first method will therefore recognise foreign currency gain or loss, as the case may be, on interest paid to the extent that the U.S. dollar/Euro exchange rate on the date the interest is received differs from the rate at which the interest income was accrued. Under the second method, the U.S. Noteholder can elect to accrue interest at the Euro spot rate on the last day of an interest accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt of such interest, the spot rate on the date of receipt. An election to accrue interest at the spot rate generally will apply to all foreign currency denominated debt instruments held by the U.S. Noteholder, and is irrevocable without the consent of the IRS. Regardless of the method used to accrue interest, a U.S. Noteholder may have additional foreign currency gain or loss upon a subsequent disposition of the Euro received. Any exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss.

For U.S. federal income tax purposes, original issue discount ("**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 Notes and the Class D Notes (together the "**Deferrable Notes**") are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the aggregate principal amount of such Notes. Consequently, such interest is not unconditionally payable in cash or property at least annually and will not be treated as "qualified stated interest". Therefore, all of the stated interest payments on each of the Deferrable Notes, will be included in the stated redemption price at maturity of such Notes, and as a result the Deferrable Notes will be treated as issued with OID.

The Rated Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

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 Rated Notes (a) has an issue price that does not exceed the total non-contingent principal payments on such class of Rated 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 Rated Notes; and (ii) 15 per cent. of the total non-contingent principal payments on such class of Rated Notes; (b) provides for stated interest (compounded or paid at least annually) at the current value of one or more qualified floating rates, including the EURIBOR rate, on such class of Rated 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 Refinancing Notes in accordance with U.S. Treasury regulations relating to contingent payment debt instruments, which generally require gain to be ordinary income and a U.S. Noteholder to accrue interest on a constant yield basis based on a projected payment schedule determined by the Issuer. The contingent payment debt instrument rules are complex and investors should consult with their own tax advisors with respect to the potential taxation of the Refinancing Notes under the contingent payment debt instrument rules.

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

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

Amounts contributed to the Issuer as a Contribution that otherwise would have been distributed as Interest Proceeds will be deemed (for federal income tax purposes) paid to the contributing Noteholder and then contributed to the Issuer. Noteholders should consult their own tax advisors with respect to the federal income tax treatment of any Contribution, including the likelihood that such Contribution will be treated as an equity interest in the Issuer.

A portion of the price paid for a Refinancing Note will be allocable to the Accrued Interest Amount. The Issuer intends to take the position that, on the first Payment Date following the Refinancing Date, a portion of the interest received by a U.S. Noteholder in an amount equal to the Accrued Interest Amount should be treated as a return of the Accrued Interest Amount and not as a payment of interest on the Refinancing Note. Amounts treated as a return of the Accrued Interest Amount should not be taxable when received but should reduce a U.S. Noteholder's tax basis in the Refinancing Note by a corresponding amount.

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

The amount realised on the sale, exchange, redemption or repayment of a Rated Note generally is determined by translating the Euro proceeds into U.S. dollars at the spot rate on the date the Rated Note is disposed of, while a U.S. 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 Refinancing Note. 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 on the settlement date. An election by an accrual basis U.S. Noteholder to apply the spot exchange rate on the settlement date will be subject to the rules regarding currency translation elections described above, and cannot be changed without the consent of the IRS. The amount of foreign currency gain or loss realised with respect to accrued but unpaid interest is the difference between the U.S. Dollar value of the interest based on the spot exchange rate on the date the 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 retirement of a Rated Note equal to the U.S. dollar value of the Euro on the relevant date. Foreign currency gain or loss on a sale, exchange, redemption or repayment of a Rated Note is recognised only to the extent of total gain or loss on the transaction.

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

Amounts contributed to the Issuer as a Contribution that otherwise would have been distributed as Principal Proceeds will be deemed (for federal income tax purposes) paid to the contributing Noteholder and then contributed to the Issuer. Noteholders should consult their own tax advisors with respect to the federal income tax treatment of such Contribution, including the likelihood that such Contribution will be treated as an equity interest in the Issuer.

***Alternative Characterisation of the Rated Notes.*** 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 "*Taxation Considerations—U.S. Tax Treatment of U.S. Noteholders of the Subordinated Notes*" in the 2014 Offering Circular.

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

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

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

Subject to the discussion below under "Information Reporting and Backup Withholding", payments, including interest, OID and any amounts treated as dividends, on a Refinancing Note to a non-U.S. Noteholder and gain realised on the sale, exchange or retirement of a Refinancing Note by a non-U.S. Noteholder, will not be subject

to U.S. federal income or withholding tax, unless (a) such income is effectively connected with a trade or business conducted by such non-U.S. Noteholder in the United States; or (b) in the case of federal income tax imposed on gain, such non-U.S. Noteholder is a non-resident alien individual who holds a Refinancing Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

### **Information Reporting and Backup Withholding**

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

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

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is properly furnished to the IRS. Noteholders should consult their own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Refinancing Notes.

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

### **Foreign Account Tax Compliance Act**

Pursuant to FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer expects to be a foreign financial institution for these purposes. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Refinancing Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Refinancing Notes, such withholding would not apply prior to 1 January 2019 and Refinancing Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be



“grandfathered” for purposes of FATCA withholding unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Refinancing Notes, no person will be required to pay additional amounts as a result of the withholding. 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 may be compelled to force the sale of the Noteholder's Refinancing Notes (and such sale could be for less than its then fair market value).

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

## PLAN OF DISTRIBUTION

*This Plan of Distribution should be read in conjunction with the “Plan of Distribution” in the 2014 Offering Circular. The following section consists of a summary of certain provisions of the Placement Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreements.*

BNP Paribas (in its capacity as Initial Purchaser, the “**Initial Purchaser**”) has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Refinancing Notes (the “**Subscribed Notes**”) pursuant to the Subscription Agreement, at the issue price of: 100 per cent. in the case of the Class A Notes, 100 per cent. in the case of the Class B-1 Notes, 100 per cent. in the case of the Class B-2 Notes, 100 per cent. in the case of the Class C Notes and 100 per cent. in the case of the Class D Notes (in each case less subscription and underwriting fees to be agreed between the Issuer and the Initial Purchaser). The Initial Purchaser may offer the Subscribed Notes at other prices in privately negotiated transactions at the time of sale, which may vary among different purchasers and may be different from the issue price of the Subscribed Notes. The Subscription Agreement entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Issuer. On the Issue Date, the Initial Purchaser will re-sell the Retention Notes to the Retention Holder.

It is a condition of the issue of the Refinancing Notes of each Class that the Refinancing Notes of each other Class be issued in the following principal amounts: Class A Notes: €225,400,000, Class B-1 Notes: €22,600,000, Class B-2 Notes: €24,000,000, Class C Notes: €24,900,000 and Class D Notes: €18,600,000.

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

Certain of the Collateral Debt Obligations may have been originally underwritten or placed by the Initial Purchaser. In addition, the Initial Purchaser may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Debt Obligations. In addition, the Initial Purchaser and its Affiliates may from time to time as a principal or through one or more investment funds that it or they manage, make investments in the equity securities of one or more of the issuers of the Collateral Debt Obligations, with a result that one or more of such issuers may be or may become controlled by the Initial Purchaser or its Affiliates. In addition, in the ordinary course of their business activities, the Initial Purchaser 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 investments (including Refinancing Notes) of the Issuer. The Initial Purchaser 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.

No action has been or will be taken by the Issuer, the Initial Purchaser or the Retention Holder 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 Initial Purchaser.

The Refinancing Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act.

The Refinancing Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Refinancing Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Initial Purchaser.

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

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Refinancing Notes and for the listing of the Refinancing Notes of each Class on the regulated market of the Irish Stock Exchange.

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

- (a) *Retail Investor Restriction:* The Refinancing Notes will not be made available, or sold, to a retail investor. For these purposes, a retail investor means (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Directive 2014/65/EU.
- (b) *United Kingdom:* The Initial Purchaser, which is authorised and regulated by the Financial Conduct Authority, has represented and agreed that:
  - (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the Refinancing Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
  - (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Refinancing Notes in, from or otherwise involving the United Kingdom.
- (c) *European Economic Area:* In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of 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 Refinancing Notes to the public**" in relation to any Refinancing Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes, as the same may be varied in that EU Member State by any measure implementing the Prospectus Directive in that EU Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

- (d) *Austria*: No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz ("the **KMG**")) as amended. Neither this document nor any other document connected therewith constitutes a prospectus according to the Austrian Capital Markets Act and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Initial Purchaser. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Refinancing Notes will be offered in Austria in reliance on an exemption from the document publication requirement under the KMG. The Initial Purchaser has represented and agreed that it will offer the Refinancing Notes in Austria only in compliance with the provisions of the KMG, and Refinancing Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.
- (e) *Denmark*: The Initial Purchaser has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Refinancing Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

For the purposes of this provision, an offer of the Refinancing Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Refinancing Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Refinancing Notes.

- (f) *France*: Any person who is in possession of this Offering Circular is hereby notified that no action has or will be taken that would allow an offering of the Refinancing Notes in France and neither the Offering Circular nor any offering material relating to the Refinancing Notes have been submitted to the *Autorité des Marchés Financiers* ("**AMF**") for prior review or approval. Accordingly, the Refinancing Notes may not be offered, sold, transferred or delivered and neither this Offering Circular nor any offering material relating to the Refinancing Notes may be distributed or made available (in whole or in part) in France, directly or indirectly, except as permitted by French law and regulation. The Initial Purchaser has represented and agreed that:
  - (i) the Refinancing Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.
  - (ii) neither this Offering Circular nor any other offering material relating to the Refinancing Notes has been or will be:

- (A) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
  - (B) used in connection with any offer for subscription or sale of the Refinancing Notes to the public in France.
- (iii) such offers, sales and distributions will be made in France only:
  - (A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");
  - (B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or
  - (C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.
- (g) *Germany*: The Refinancing Notes will not be registered for public distribution in Germany. This Offering Circular does not constitute a sales document pursuant to the German Capital Investment Act (*Vermögensanlagegesetz*). Accordingly, the Initial Purchaser has represented and agreed that no offer of the Refinancing Notes will be made to the public in Germany. This Offering Circular and any other document relating to the Refinancing Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Refinancing Notes to the public in Germany or any other means of public marketing.
- (h) *Ireland*: The Initial Purchaser has represented and agreed that:
  - (i) it has not and will not underwrite the issue of; or place the Refinancing Notes otherwise than in conformity with the provisions of S.I. No. 60 of 2007 European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), and any codes of conduct or rules issued in connection therewith and any conditions or requirements, or other enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);
  - (ii) it has not and will not underwrite the issue of, or place, the Refinancing Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2015 and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
  - (iii) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Refinancing Notes, otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Irish Companies Act 2014 and any rules issued under Section 1363 of the Irish Companies Act 2014, by the Central Bank of Ireland; and
  - (iv) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Refinancing Notes, otherwise than in conformity with the provisions of the European Union (Market Abuse) Regulations 2016, Regulation (EU) No 596/2014 of the European Parliament of the Council of 16 April 2014 on market abuse and any rules issued under Section 1370 of the Irish Companies Act 2014 by the Central Bank of Ireland.

- (i) *Netherlands*: The Initial Purchaser has represented and agreed that it will not make an offer of the Refinancing Notes which are the subject of the offering contemplated by this Offering Circular to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Financial Markets Supervisions Act (*Wet op het financieel toezicht*) and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, provided that no such offer of Refinancing Notes shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

- (j) *Sweden*: The Initial Purchaser has confirmed and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Refinancing Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).
- (k) *Switzerland*: This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Refinancing Notes described herein. The Refinancing Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Refinancing Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Refinancing Notes have been or will be filed with or approved by any Swiss regulatory authority. The Refinancing Notes are not subject to the supervision by any Swiss regulatory authority, for example, the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Refinancing Notes will not benefit from protection or supervision by such authority.

## **TRANSFER RESTRICTIONS**

*For the avoidance of doubt, the section entitled “Transfer Restrictions” in the 2014 Offering Circular applies as if set out in full in this Offering Circular.*

## **RULE 17G-5 COMPLIANCE**

*For the avoidance of doubt, the section entitled “Rule 17G-5 Compliance” in the 2014 Offering Circular applies as if set out in full in this Offering Circular.*



## GENERAL INFORMATION

### Clearing Systems

The Refinancing Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	Regulation S		Rule 144A	
	Common Code	ISIN	Common Code	ISIN
Class A CM Voting Notes	1578526631	XS1578526631	1578526987	XS1578526987
Class A CM Non-Voting Exchangeable Notes	1578526805	XS1578526805	1578527282	XS1578527282
Class A CM Non-Voting Notes	1578526714	XS1578526714	1578527019	XS1578527019
Class B-1 CM Voting Notes	1578527100	XS1578527100	1578527365	XS1578527365
Class B-1 CM Non-Voting Exchangeable Notes	1578527795	XS1578527795	1578527878	XS1578527878
Class B-1 CM Non-Voting Notes	1578527449	XS1578527449	1578527522	XS1578527522
Class B-2 CM Voting Notes	1578527951	XS1578527951	1578528090	XS1578528090
Class B-2 CM Non-Voting Exchangeable Notes	1578528330	XS1578528330	1578528413	XS1578528413
Class B-2 CM Non-Voting Notes	1578528173	XS1578528173	1578528256	XS1578528256
Class C CM Voting Notes	1578528504	XS1578528504	1578528843	XS1578528843
Class C CM Non-Voting Exchangeable Notes	1578528769	XS1578528769	1578529064	XS1578529064
Class C CM Non-Voting Notes	1578528686	XS1578528686	1578528926	XS1578528926
Class D CM Voting Notes	1578529148	XS1578529148	1578529221	XS1578529221
Class D CM Non-Voting Exchangeable Notes	1578529577	XS1578529577	1578529650	XS1578529650
Class D CM Non-Voting Notes	1578529494	XS1578529494	1578529734	XS1578529734

### Listing

Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and to trading on its regulated market. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.

### **Expenses in relation to Admission to Trading**

It is expected that the total expenses related to admission of the Refinancing Notes to trading will be approximately €7,291.20.

### **Consents and Authorisations**

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Refinancing Notes. The issue of the Refinancing Notes has been authorised by resolution of the Board of Directors of the Issuer passed on 28 March 2017.

### **No Material Change**

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

### **No Litigation**

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its last financial statements (dated 31 December 2015) a significant effect on the Issuer's financial position or profitability.

### **Documents Available**

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

- (a) The Constitution of the Issuer;
- (b) the Deed of Amendment and the Trust Deed (which, together, include the form of each Note of each Class);
- (c) the Agency Agreement;
- (d) the Collateral Management Agreement and the CM Deed of Amendment;
- (e) each Monthly Report;
- (f) each Payment Date Report;
- (g) the Retention Letter;
- (h) the Liquidity Facility Agreement;
- (i) the Euroclear Security Agreement;
- (j) the Master Definitions Agreement; and
- (k) the audited financial statements for the years ending 31 December 2014 and 31 December 2015 together with the audit reports.

Audited financial statements for the years ending 31 December 2014 and 31 December 2015 have been filed with the Central Bank and are incorporated by reference and can be accessed at the following:

<http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=-1&uID=6641&FIELDSORT=docId>.

The Initial Purchaser did not participate in the production of the financial statements, takes no responsibility in respect of any financial statement, provides no representations or warranties as to the accuracy or completeness thereof and will have no liability whatsoever for any information contained therein.

### **Foreign Language**

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

## GLOSSARY OF DEFINED TERMS

\$ .....	vi	Class C Initial Higher Margin .....	36
€ .....	v	Class C Initial Lower Margin .....	36
2014 Offering Circular .....	i	Class C Initial Margin .....	36
ABS .....	15	Class C Margin .....	36
Accrual Period .....	33	Class C Notes .....	ii
Accrued Interest Amount .....	ii, 1	Class C Subsequent Margin .....	36
AIF .....	18	Class D Initial Higher Margin .....	36
AIFMs .....	18	Class D Initial Lower Margin .....	36
AMF .....	70	Class D Initial Margin .....	36
Apidos .....	41	Class D Margin .....	36
Applicable Margin .....	35	Class D Notes .....	ii
Arranger .....	iv	Class D Subsequent Margin .....	36
Bank .....	53	Class E Margin .....	36
Basel III .....	13	Class F Margin .....	36
BCBS .....	13	clearing obligation .....	17
BEPS .....	10	Clearstream, Luxembourg .....	viii
BNPP Parties .....	30	CM Deed of Amendment .....	33
BNY Mellon .....	53	CMF .....	71
CEA .....	xi, 19	Code .....	62
Central Bank .....	v	Collateral Management Agreement .....	33
CFTC .....	xi, 2, 19	Collateral Manager .....	i
Class A Initial Higher Margin .....	35	Collateral Manager Related Persons .....	22
Class A Initial Lower Margin .....	35	Commodity Pool .....	2
Class A Initial Margin .....	35	Condition .....	1
Class A Margin .....	35	Conditions of the Notes .....	1
Class A Notes .....	ii	CPO .....	xi, 19
Class A Subsequent Margin .....	35	CRA3 .....	18
Class B Notes .....	ii	CRA3 Effective Date .....	19
Class B-1 Initial Higher Margin .....	35	Credit Servicing Act .....	21
Class B-1 Initial Lower Margin .....	35	CRS .....	60
Class B-1 Initial Margin .....	35	CRS Regulations .....	60
Class B-1 Margin .....	36	CTA .....	xi, 19
Class B-1 Notes .....	ii	CVC .....	22
Class B-1 Subsequent Margin .....	35	CVC Capital Partners .....	24
Class B-2 Fixed Rate .....	36	CVC Credit Partners .....	22, 41
Class B-2 Notes .....	ii	CVC Fund .....	22

CVC Working Capital Facility .....	41	non-U.S. Noteholder .....	61
DAC II.....	60	Notes.....	ii
Deed of Amendment .....	ii, 32, 34	NSFR.....	13
Deferrable Notes.....	63	OECD.....	10
EEA .....	ii	offer of the Refinancing Notes to the public .	70
ESMA.....	19	Offering .....	ix
EU Retention Requirements .....	14	Offering Circular .....	iv, 1
EUR .....	v	OID.....	63
euro.....	v	OID de minimis amount .....	63
Euro .....	v	OID Note.....	63
Euroclear.....	viii	Original Class A Notes.....	i
EVI .....	vii, 51	Original Class B-1 Notes .....	i
Exiting State(s).....	v	Original Class B-2 Notes .....	i
FPO.....	ii	Original Class C Notes .....	i
FSMA.....	69	Original Class D Notes.....	ii
FTT .....	8	Original Closing Date.....	i
Global Certificates .....	ix	Original Issue Date.....	ii
Initial Accrual Period .....	34	Original Notes.....	ii
Initial Purchaser.....	iii, 34, 68	Original Rated Notes.....	ii
Investment Company Act.....	iii	Other Clients .....	23
Irish Authorisation .....	21	Placement Agreement .....	32
Irish FATCA Regulations .....	59	Prospectus Directive .....	70
Irish SMEs.....	21	QIBs.....	i, viii
IRS.....	62	QPs .....	i, viii
Issue Date.....	ii, 33	qualified stated interest.....	63
issue price.....	63	quoted Eurobonds.....	56
Issuer.....	ii, i	Rated Notes.....	ii
JFSC.....	vi	Redemption Date.....	ii
KMG .....	70	Refinanced Notes .....	ii
Latest Monthly Report.....	6	Refinancing .....	33
LCR .....	13	Refinancing Date.....	ii
Majority-Owned Affiliate.....	vii	Refinancing Notes .....	ii
Market Sellers .....	50	Regulation S .....	i, iii, ix
Minimum Risk Retention Requirement .....	15	Regulation S Definitive Certificate.....	ix
Netting Agreement.....	50	Regulation S Definitive Certificates.....	ix
NFA .....	19	Regulation S Global Certificate .....	ix
NFFEs .....	60	Regulation S Global Certificates .....	ix

Regulation S Notes .....	ix	SSPE Exemption.....	18
Relevant Implementation Date.....	69	Sub-Manager .....	vii
relevant Irish SME Loans.....	21	Subscribed Notes.....	68
relevant lenders .....	21	Subscription Agreement .....	32
Relevant Member State.....	69	the Commision’s proposal.....	8
relevant persons.....	v	Trustee.....	ii
reporting obligation.....	17	U.S. Dollar .....	vi
Requirements .....	8	U.S. Noteholder .....	61
Retention Financer.....	29	U.S. Persons .....	i, iii
Retention Notes.....	vi, 49	U.S. Residents.....	ix
Retention Notes Purchase Agreement .....	34	UK.....	7
Retention Requirements.....	33	UK-Ireland Treaty.....	10
risk mitigation obligations .....	17	US dollar.....	vi
Rule 144A .....	i, iii, viii	US Dollar .....	vi
Rule 144A Definitive Certificate .....	viii	US Retention Interest.....	15
Rule 144A Definitive Certificates.....	viii	US Retention Notes .....	vii, 51
Rule 144A Global Certificate.....	viii	US Retention Period .....	51
Rule 144A Global Certificates .....	viii	US Retention Requirements .....	vii
Rule 144A Notes .....	viii	US Retention Requirements .....	15
Section 110.....	57	USD .....	vi
Securities Act.....	i, iii	variable rate debt instruments .....	64
Solvency II.....	34	Volcker Rule .....	vii, 20
Solvency II Retention Requirements .....	34		

**ANNEX A**  
**2014 OFFERING CIRCULAR**

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY (1) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (“SECURITIES ACT”)); AND (2) WITHIN THE UNITED STATES TO PERSONS AND OUTSIDE THE UNITED STATES TO U.S. PERSONS (AS SUCH TERM IS DEFINED IN REGULATION S (“U.S. PERSONS”)), IN EACH CASE, WHO ARE BOTH QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT) IN RELIANCE ON RULE 144A AND QUALIFIED PURCHASERS (“QPs”) FOR THE PURPOSES OF SECTION 3(C)(7) OF THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED. EACH PURCHASER OF THE NOTES IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH BELOW AND UNDER “PLAN OF DISTRIBUTION” AND “TRANSFER RESTRICTIONS”. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE NOTES ARE SUBJECT TO OTHER RESTRICTIONS ON TRANSFERABILITY AND RESALE AS SET FORTH IN “PLAN OF DISTRIBUTION” AND “TRANSFER RESTRICTIONS”.**

**IMPORTANT: You must read the following before continuing.** The following applies to the prospectus attached to this electronic transmission, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including any modifications to them at any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED WITHIN THE UNITED STATES TO PERSONS UNLESS SUCH PERSONS ARE BOTH QIBS AND QPs, IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

This prospectus has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this prospectus to any other person. In order to be eligible to view this prospectus or make an investment decision with respect to the securities, investors must either be (i) U.S. persons that are QIBs that are also QPs or (ii) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This prospectus is being sent at your request and by accessing the prospectus, you shall be deemed to have confirmed and represented to us that (i) you have understood and agree to the terms set out herein, (ii) you consent to delivery of the prospectus by electronic transmission, (iii) you are either (x) a QIB and QP or (y) not a U.S.



person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia and (iv) if you are a person in the United Kingdom, then you are a person who (A) has professional experience in matters relating to investments within Article 19 of the Financial Services and Markets Act (Financial Promotion) Order 2005 (the “**FPO**”) or (B) is a high net worth entity falling within Article 49(2)(a) to (d) of the FPO.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Goldman Sachs International nor CVC Cordatus Loan Fund IV Limited (the “**Issuer**”) nor any person who controls any of them respectively (nor 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 prospectus distributed to you in electronic format and the hard copy version available to you on request from Goldman Sachs International or the Issuer.

If you are in any doubt about the contents of this prospectus you should consult your stockbroker, bank manager, solicitor, account or other financial adviser.

DISTRIBUTION OF THE PROSPECTUS TO ANY PERSONS OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR GOLDMAN SACHS INTERNATIONAL AND THEIR RESPECTIVE AGENTS, AND ANY PERSONS RETAINED TO ADVISE THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR GOLDMAN SACHS INTERNATIONAL IS UNAUTHORISED. ANY PHOTOCOPYING, DISCLOSURE OR ALTERATION OF THE CONTENTS OF THE PROSPECTUS, AND ANY FORWARDING OF A COPY OF THE PROSPECTUS OR ANY PORTION THEREOF BY ELECTRONIC MAIL OR ANY OTHER MEANS TO ANY PERSON OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER OR GOLDMAN SACHS INTERNATIONAL IS PROHIBITED. BY ACCEPTING DELIVERY OF THIS PROSPECTUS, THE RECIPIENT AGREES TO THE FOREGOING.

# CVC CORDATUS LOAN FUND IV LIMITED

*(Incorporated under the laws of Ireland with limited liability under registered number 543295)*

Notes	Initial Principal Amount	Issue Price <sup>1</sup>	Stated Interest Rate <sup>2</sup>	Final Maturity Date	Moody's <sup>3</sup> Rating <sup>4</sup>	Fitch <sup>5</sup> Rating <sup>6</sup>
A	€25,400,000	100%	EURIBOR + 1.25%	January 2028	Aaa(sf)	AAAsf
B-1	€22,600,000	100%	EURIBOR + 2.00%	January 2028	Aa2(sf)	AAsf
B-2	€4,000,000	100%	2.71%	January 2028	Aa2(sf)	AAsf
C	€4,900,000	98.65%	EURIBOR + 2.90%	January 2028	A2(sf)	Asf
D	€18,600,000	99.35%	EURIBOR + 3.70%	January 2028	Baa2(sf)	BBBsf
E	€27,600,000	96.60%	EURIBOR + 5.90%	January 2028	Ba2(sf)	BBsf
F	€12,900,000	87.55%	EURIBOR + 6.50%	January 2028	B2(sf)	B-sf
Subordinated	€44,000,000	100%	Excess	January 2028	Not Rated	Not Rated

The assets securing the Notes will consist of a portfolio of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Mezzanine Obligations and High Yield Bonds managed by CVC Credit Partners Group Limited (the “**Collateral Manager**”).

CVC Cordatus Loan Fund IV Limited (the “**Issuer**”) will issue the Rated Notes and the Subordinated Notes (each as defined herein).

The Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (such Classes of Notes, the “**Rated Notes**”) together with the Subordinated Notes are collectively referred to herein as the “**Notes**”. The Notes will be issued and secured pursuant to a trust deed (the

<sup>1</sup> The Placement Agent may offer the Notes at other prices as may be negotiated at the time of sale.

<sup>2</sup> Applicable at all times, provided that the rate of interest of the Floating Rate Notes will be determined for the period from, and including, the Issue Date to, but excluding, July 2015, by reference to a straight line interpolation of 6 month EURIBOR and 12 month EURIBOR.

<sup>3</sup> Moody's Investors Service Ltd is established in the EU and is registered under Regulation (EC) No 1060/2009.

<sup>4</sup> The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by Moody's.

<sup>5</sup> Fitch Ratings Limited is established in the EU and is registered under Regulation (EC) No 1060/2009.

<sup>6</sup> The ratings assigned to the Class A Notes and the Class B Notes address the timely payment of interest and the ultimate payment of principal. The ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes address the ultimate payment of principal and interest. A security rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by Fitch.

“**Trust Deed**”) dated on or about 17 December 2014 (the “**Issue Date**”), made between (amongst others) the Issuer and BNY Mellon Corporate Trustee Services Limited, in its capacity as trustee (the “**Trustee**”).

Interest on the Notes will be payable in arrear on 22 July and 22 January (or, if such day is not a Business Day (as defined herein), then on the next succeeding Business Day (unless it would fall in the following month, in which case it shall be moved to the immediately preceding Business Day)) in each year, commencing on 22 July 2015 and ending on the Maturity Date (as defined below) in accordance with the Priorities of Payments described herein.

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

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

This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the 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. This Prospectus constitutes a “prospectus” for the purposes of the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for the Notes to be admitted to the Official List and trading on its regulated market. It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that any such listing will be granted or, if granted, that such listing will be maintained.

This Prospectus has been filed with and approved by the Central Bank as required by the Prospectus Directive 2003/71/EC Regulations 2005 (the “**Prospectus Regulations**”). This Prospectus approved by the Central Bank will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

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

The Notes have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and will be offered only: (a) outside the United States to non-U.S. Persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)); and (b) within the United States to persons and outside the United States to U.S. Persons (as such term is defined in Regulation S (“**U.S. Persons**”)), in each case, who are both qualified institutional buyers (as defined in Rule 144A (“**Rule 144A**”) under the Securities Act) in reliance on Rule 144A and qualified purchasers for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Neither the Issuer, the Collateral Manager nor the Sub-Manager will be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See “*Plan of Distribution*” and “*Transfer Restrictions*”.

The Notes are being offered by the Issuer through Goldman Sachs International in its capacity as placement agent of the offering of such Notes (the “**Placement Agent**”) subject to prior sale, when, as and if delivered to and accepted by the Placement Agent, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date. It is a condition of the Notes that all of the Notes are issued concurrently.

The date of this Prospectus is 11 December 2014

*Arranger and Placement Agent*

**Goldman Sachs International**

*The Issuer accepts responsibility for the information contained in this prospectus and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Collateral Manager accepts responsibility for the information contained in the sections of this prospectus headed “Risk Factors – Certain Conflicts of Interest – Collateral Manager” and “The Collateral Manager”. To the best of the knowledge and belief of the Collateral Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Sub-Manager accepts responsibility for the information contained in the section of this prospectus headed “Sub-Manager”. To the best of the knowledge and belief of the Sub-Manager (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Bank of New York Mellon SA/NV, Dublin Branch accepts responsibility for the information contained in the section of this prospectus headed “The Collateral Administrator”. To the best of the knowledge and belief of The Bank of New York Mellon SA/NV, Dublin Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Bank of New York Mellon accepts responsibility for the information contained in the section of this prospectus headed “The Liquidity Provider”. To the best of the knowledge and belief of The Bank of New York Mellon (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Retention Holder accepts responsibility for the information contained in the section of this prospectus headed “The Retention Holder and Retention Requirements – Description of the Retention Holder”. To the best of the knowledge and belief of the Retention Holder (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Except for the sections of this prospectus headed “Risk Factors – Certain Conflicts of Interest – Collateral Manager” and “The Collateral Manager”, in the case of the Collateral Manager, “The Sub-Manager”, in the case of the Sub-Manager, “The Collateral Administrator”, in the case of the Collateral Administrator, “The Liquidity Facility Provider”, in the case of the Liquidity Facility Provider, and “The Retention Holder and Retention Requirements – Description of the Retention Holder”, in the case of the Retention Holder, none of the Collateral Manager, the Collateral Administrator, the Liquidity Facility Provider, the Sub-Manager, or the Retention Holder accept any responsibility for the accuracy and completeness of any information contained in this prospectus. The delivery of this prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this prospectus.*

*None of the Placement Agent, Goldman Sachs International in its capacity as arranger (the “Arranger”), the Trustee, the Collateral Manager (save in respect of the sections headed “Risk Factors – Certain Conflicts of Interest – Collateral Manager” and “The Collateral Manager”), the Sub-Manager (save in respect of the section headed “The Sub-Manager”), the Collateral Administrator (save in respect of the section headed “The Collateral Administrator”), the Liquidity Facility Provider (save in respect of the section headed “The Liquidity Provider”), the Retention Holder (save in respect of the section headed “The Retention Holder and Retention Requirements – Description of the Retention Holder”), any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this prospectus and, accordingly, none of the Placement Agent, the Arranger, the Trustee, the Collateral Manager (save as specified above), the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), the Sub-Manager (save as specified above), the Retention Holder (save as specified above), any Agent, any Hedge Counterparty or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this prospectus or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Placement Agent, the Arranger, the Trustee, the Collateral Manager, the Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, the Retention Holder, any Agent, any Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this prospectus nor to advise*

any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this prospectus. None of the Placement Agent, the Arranger, the Trustee, the Collateral Manager (save as specified above), the Sub-Manager (save as specified above), the Collateral Administrator (save as specified above), the Liquidity Facility Provider (save as specified above), the Retention Holder (save as specified above), any Agent, any Hedge Counterparty or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this prospectus.

This prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Placement Agent or the Arranger or any of their Affiliates, the Collateral Manager, the Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, the Retention Holder or any other person to subscribe for or purchase any of the Notes. The distribution of this prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus comes are required by the Issuer and the 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, as amended, does not apply to the Issuer (all such persons together being referred to as “**relevant persons**”). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this prospectus, see “Plan of Distribution” and “Transfer Restrictions” below.

In connection with the issue and sale of the Notes, no person is authorised to give any information or to make any representation not contained in this prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Sub-Manager, the Retention Holder 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.

The Issuer is not and will not be regulated by the Central Bank of Ireland (the “**Central Bank**”) by virtue of the issue of the Notes. 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.

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

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

In connection with the issue of the Notes, no stabilisation will take place and Goldman Sachs International will not be acting as stabilising manager in respect of the Notes.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

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

### **Jersey Regulatory Considerations**

A copy of this prospectus has been delivered to the Jersey Financial Services Commission (the “JFSC”), which has given, and not withdrawn, its consent under the Control of Borrowing (Jersey) Order 1958 (as amended) to the Issuer to issue the Notes and to the circulation of an offer subscription, sale or exchange of the Notes. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 (as amended) against any liability arising from the discharge of its functions under that law.

It must be distinctly understood that, in giving these consents, the JFSC takes no responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

**The investments described in this prospectus do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the JFSC as suitable investments for any other type of investor.**

**Any prospective investor in any investment described in this prospectus should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.**

### **Retention requirements under Articles 404-410 of Capital Requirements Regulation**

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

## Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the “**Volcker Rule**”) relevant banking entities (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to as covered funds. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds.

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

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

It should be noted that the Subordinated Notes will be characterised as ownership interests in the Issuer for this purpose and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests. 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 Collateral 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 Collateral Manager and selection of a replacement collateral manager shall only be exercisable upon a Collateral Manager Event of Default. Furthermore, the holders of any Class A Notes, Class B Notes, Class C Notes and or Class D Notes in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes are disenfranchised in respect of any CM Removal Resolution or CM 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.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule’s prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a “banking entity” as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each purchaser must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Collateral Manager, the Arranger, the Placement Agent, the Collateral Administrator, the Agents, the Trustee, their respective Affiliates or any other Person makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future. See “*Risk Factors – Regulatory Initiatives – Volcker Rule*” below for further information.

## Information as to placement within the United States

The Notes of each Class offered pursuant to an exemption from registration under Rule 144A (“**Rule 144A**”) under the Securities Act (the “**Rule 144A Notes**”) will be sold only to “qualified institutional buyers” (as defined in Rule 144A) (“**QIBs**”) that are also “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act (“**QPs**”). The Rule 144A Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) (other than the Rule 144A Notes that are Subordinated Notes and in certain circumstances, the Class E Notes and the Class F 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 (including in the case of Rule 144A Notes that are Subordinated Notes and in certain circumstances, the Class E Notes and the Class F Notes) definitive certificates (each a “**Rule 144A Definitive Certificate**” and together the “**Rule 144A**”).



**Definitive Certificates**”), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear (“**Euroclear**”) and Clearstream, Luxembourg (“**Clearstream, Luxembourg**”) or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) sold outside the United States to non-U.S. Persons in reliance on Regulation S (“**Regulation S**”) under the Securities Act (the “**Regulation S Notes**”) will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a “**Regulation S Global Certificate**” and together, the “**Regulation S Global Certificates**”), or in some cases (including, in certain circumstances, the Class E Notes, the Class F Notes and the Subordinated Notes) 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 Bank S.A./N.V., as operator of the Euroclear system and Clearstream Banking, *société anonyme* or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) (“**U.S. Residents**”) may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the “**Global Certificates**”) will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Other than with respect to the Rule 144A Notes that are Subordinated Notes and in certain circumstances, Class E Notes, Class F Notes and Regulation S Notes that are Subordinated Notes, Notes in definitive certificated form will be issued only in limited circumstances. Rule 144A Notes that are Subordinated Notes and, in certain circumstances, Class E Notes, Class F Notes and Regulation S Notes that are Subordinated Notes, described herein be issued in definitive, certificated, fully registered form, pursuant to the Trust Deed and will be offered outside the United States to non-U.S. Persons in reliance on Regulation S and within the United States to persons who are both QIBs and QPs and, in each case, will be registered in the name of the holder (or a nominee thereof).

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

*In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes and the offering thereof described herein, including the merits and risks involved, including the possibility that any purchaser of any Note may not fully recoup its initial investment, including as a result of certain origination expenses and expenses incurred by the Issuer in connection with the offering.*

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

This prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the “**Offering**”). Each of the Issuer and the 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, 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.

BY ACCEPTING DELIVERY OF ITS NOTES, EACH PURCHASER OF NOTES WILL BE DEEMED TO HAVE ACKNOWLEDGED THAT (A) IT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM GOLDMAN SACHS INTERNATIONAL AND TO REVIEW, AND HAS RECEIVED, ALL INFORMATION CONSIDERED BY IT TO BE MATERIAL REGARDING THE INITIAL PORTFOLIO AND ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION IN THIS PROSPECTUS AND (B) IT HAS NOT RELIED ON ANY TRANSACTION PARTY OR ANY PERSON AFFILIATED WITH ANY OF THEM IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ITS INVESTMENT DECISION. NEITHER THE DELIVERY OF THIS PROSPECTUS, NOR ANY SALE MADE UNDER THIS PROSPECTUS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

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

#### **Available Information**

To permit compliance with the Securities Act in connection with the sale of the Notes in reliance on Rule 144A, the Issuer will be required under the Trust Deed to furnish upon request to a holder or beneficial owner of a Rule 144A Note who is a QIB 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 12g 3 2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Principal Paying Agent.

#### **General Notice**

EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN 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 OR THE PLACEMENT AGENT, THE COLLATERAL MANAGER, THE SUB-MANAGER, THE RETENTION HOLDER (OR ANY OF THEIR AFFILIATES), THE TRUSTEE (OR ANY OF THEIR

RESPECTIVE AFFILIATES) 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 THE SECURITIES ACT 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

## TABLE OF CONTENTS

	Page
Transaction Overview .....	16
Risk Factors .....	31
<i>General</i> .....	31
<i>Suitability</i> .....	31
<i>No representation</i> .....	32
<i>Limited Resources of Funds to Pay Expenses of the Issuer</i> .....	32
<i>Business and Regulatory Risks for Vehicles with Investment Strategies such as the Issuer's</i> .....	32
<i>Events in the CLO and Leveraged Finance Markets</i> .....	32
<i>Euro and Euro zone Risk</i> .....	33
<i>Regulatory Initiatives</i> .....	34
<i>Risk Retention in Europe</i> .....	34
<i>CRA3</i> .....	35
<i>EMIR</i> .....	36
<i>Alternative Investment Fund Managers Directive</i> .....	37
<i>U.S. Dodd-Frank Act</i> .....	38
<i>Commodity Pool Regulation</i> .....	38
<i>Volcker Rule</i> .....	39
<i>Reliance on Rating Agency Ratings</i> .....	40
<i>Flip Clauses</i> .....	40
<i>LIBOR and EURIBOR Reform</i> .....	41
<i>Financial Transaction Tax ("FTT")</i> .....	42
<i>FATCA</i> .....	43
<i>Anti-Money Laundering, Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures</i> .....	43
<i>Third Party Litigation; Limited Funds Available</i> .....	44
<i>Preferred creditors under Irish law</i> .....	44
<i>Examinership</i> .....	45
<i>Centre of Main Interests</i> .....	46
Relating to the Notes .....	46
<i>Limited Liquidity and Restrictions on Transfer</i> .....	46
<i>Optional Redemption and Market Volatility</i> .....	46
<i>The Notes are subject to Optional Redemption in Whole or in Part by Class</i> .....	47
<i>The Notes are subject to Special Redemption at the option of the Collateral Manager</i> .....	48
<i>Mandatory Redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes</i> .....	48
<i>Mandatory Redemption following breach of the Coverage Tests</i> .....	49
<i>The Reinvestment Period may Terminate Early</i> .....	49
<i>The Collateral Manager May Reinvest After the End of the Reinvestment Period</i> .....	49
<i>Additional Issuances of Notes or the Making of Contributions May Prevent the Failure of Coverage Tests and a Note Event of Default</i> .....	50
<i>Additional Issuances of Subordinated Notes not subject to Anti-Dilution Rights or Noteholder approval</i> .....	50
<i>Additional Issuances of Notes May Result in the Dilution of Existing Noteholders</i> .....	50
<i>Limited Recourse Obligations</i> .....	50
<i>Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes</i> .....	51
<i>Failure of a Court to Enforce Non-Petition Obligations will Adversely Affect Noteholders</i> .....	52
<i>Amount and Timing of Payments</i> .....	53

<i>Reports Provided by the Collateral Administrator Will Not Be Audited</i> .....	53
<i>Future Ratings of the Rated Notes Not Assured and Limited in Scope</i> .....	53
<i>Rating Agencies may refuse to give rating agency confirmations</i> .....	54
<i>Requirements imposed on Rating Agencies could result in withdrawal of ratings if certain actions are not taken</i> .....	54
<i>Average Life and Prepayment Considerations</i> .....	55
<i>Projections, forecasts and estimates are forward looking statements and are inherently uncertain</i> .....	55
<i>Volatility of the Subordinated Notes</i> .....	55
<i>Net Proceeds less than Aggregate Amount of the Notes</i> .....	56
<i>Withholding Tax on the Notes</i> .....	56
<i>Security</i> .....	56
<i>Resolutions, Amendments and Waivers</i> .....	57
<i>Concentrated Ownership of one or more Classes of Notes</i> .....	59
<i>Enforcement Rights Following a Note Event of Default</i> .....	59
<i>Certain ERISA Considerations</i> .....	60
<i>Forced Transfer</i> .....	60
<i>U.S. Tax Characterisation of the Notes</i> .....	61
<b>Relating to the Collateral</b> .....	61
<i>The Portfolio</i> .....	61
<i>Nature of Collateral; Defaults</i> .....	62
<i>Acquisition of Collateral Debt Obligations prior to the Issue Date</i> .....	63
<i>Considerations Relating to the Initial Investment Period</i> .....	65
<i>Characteristics and Risks Relating to the Portfolio</i> .....	65
<i>Characteristics of Senior Loans, Senior Secured Bonds and Mezzanine Obligations</i> .....	66
<i>Limited Liquidity, Prepayment and Default Risk in relation to Senior Loans, Senior Secured Bonds and Mezzanine Obligations</i> .....	67
<i>Increased Risks for Mezzanine Obligations</i> .....	68
<i>Prepayment Risk</i> .....	68
<i>Defaults and Recoveries</i> .....	68
<i>Investing in Cov-Lite Loans involves certain risks</i> .....	69
<i>Characteristics of High Yield Bonds</i> .....	70
<i>Investing in Second Lien Loans involves certain risks</i> .....	71
<i>Limited Control of Administration and Amendment of Collateral Debt Obligations</i> .....	71
<i>Participations, Novations and Assignments</i> .....	71
<i>Voting Restrictions on Syndicated Loans for Minority Holders</i> .....	72
<i>Corporate Rescue Loans</i> .....	73
<i>Bridge Loans</i> .....	73
<i>Collateral Enhancement Debt Obligations</i> .....	73
<i>Counterparty Risk</i> .....	74
<i>Concentration Risk</i> .....	74
<i>Credit Risk</i> .....	75
<i>Interest Rate Risk</i> .....	75
<i>Unhedged Collateral Debt Obligations</i> .....	75
<i>International Investing</i> .....	76
<i>Reinvestment Risk/Uninvested Cash Balances</i> .....	76
<i>Ratings on Collateral Debt Obligations</i> .....	77
<i>Insolvency Considerations relating to Collateral Debt Obligations</i> .....	78
<i>Lender Liability Considerations; Equitable Subordination</i> .....	78
<i>Loan Repricing</i> .....	79
<i>Changes in Tax Law; No Gross Up; General</i> .....	79
<i>Collateral Manager</i> .....	80
<i>No Placement Agent Role Post-Closing</i> .....	81

<i>Acquisition and Disposition of Collateral Debt Obligations</i> .....	81
<i>The Issuer could be subject to Material Net Income or Withholding Taxes in Certain Circumstances</i> .....	82
<i>Regulatory Risk Related to Lending</i> .....	82
<i>Valuation Information; Limited Information</i> .....	83
Certain Conflicts of Interest.....	83
<i>Collateral Manager</i> .....	83
<i>Rating Agencies</i> .....	85
<i>Conflicts of interest Involving or Relating to the Placement Agent and its Affiliates</i> .....	86
Investment Company Act .....	88
Terms and Conditions of the Notes .....	90
Use of Proceeds .....	219
Form of the Notes .....	220
Initial Issue of Notes.....	220
The Notes are not issuable in bearer form. ....	222
<i>Amendments to Terms and Conditions</i> .....	222
Exchange for Definitive Certificates .....	223
<i>Exchange</i> .....	223
<i>Delivery</i> .....	223
<i>Legends</i> .....	223
Book Entry Clearance Procedures .....	225
Euroclear and Clearstream, Luxembourg .....	225
Book Entry Ownership .....	225
<i>Euroclear and Clearstream, Luxembourg</i> .....	225
<i>Relationship of Participants with Clearing Systems</i> .....	225
<i>Settlement and Transfer of Notes</i> .....	226
<i>Trading between Euroclear and/or Clearstream, Luxembourg Participants</i> .....	226
Ratings of the Notes.....	227
<i>Moody's Ratings</i> .....	227
<i>Fitch Ratings</i> .....	227
The Issuer .....	229
Issuer .....	229
Directors .....	229
Activities.....	229
Indebtedness .....	229
Auditors .....	229
The Collateral Manager .....	230
General .....	230
Capital .....	230
Directors and Company Secretary .....	230
The Sub-Manager .....	232

Key Personnel.....	232
Other Key Personnel.....	232
The Retention Holder and Retention Requirements .....	237
Description of the Retention Holder.....	237
The Retention .....	237
Origination of Collateral Debt Obligations .....	238
The Collateral Administrator .....	239
The Bank of New York Mellon SA/NV, Dublin Branch.....	239
Termination and Resignation.....	239
The Liquidity Facility Provider .....	240
Bank of New York Mellon .....	240
The Portfolio.....	241
Introduction .....	241
Acquisition of Collateral Debt Obligations .....	241
Eligibility Criteria.....	242
Restructured Obligations .....	245
Management of the Portfolio .....	247
<i>Overview.....</i>	247
<i>Sale of Collateral Debt Obligations .....</i>	247
<i>Reinvestment of Collateral Debt Obligations.....</i>	249
<i>Participations.....</i>	255
<i>Assignments.....</i>	255
<i>Bivariate Risk Table .....</i>	255
Portfolio Profile Tests and Collateral Quality Tests .....	256
<i>The Moody's Maximum Weighted Average Rating Factor Test.....</i>	263
<i>Rating Definitions.....</i>	271
Description of the Collateral Management Agreement .....	280
General .....	280
Resignation of the Collateral Manager .....	280
Removal of the Collateral Manager.....	281
Termination of the Collateral Management Agreement .....	281
Appointment of Successor.....	281
Assignment .....	282
Fees and expenses.....	282
No Voting Rights.....	283
Description of the Collateral Sub-Management Agreement.....	284
Fees.....	284
Description of the Reports .....	285

Monthly Reports .....	285
<i>Portfolio</i> .....	285
<i>Accounts</i> .....	286
<i>Incentive Collateral Management Fee</i> .....	286
<i>Hedge Transactions</i> .....	286
<i>Coverage Tests and Collateral Quality Tests</i> .....	287
<i>Portfolio Profile Tests</i> .....	287
<i>Risk Retention</i> .....	288
<i>CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes</i> .....	288
Payment Date Report.....	288
<i>Portfolio</i> .....	288
<i>Notes</i> .....	289
<i>Payment Date Payments</i> .....	289
<i>Accounts</i> .....	289
<i>Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests</i> .....	290
<i>Hedge Transactions</i> .....	290
<i>Risk Retention</i> .....	290
<i>CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes</i> .....	290
<i>Miscellaneous</i> .....	290
Description of the Liquidity Facility Agreement .....	291
Liquidity Facility Agreement .....	291
Commitment .....	291
Purposes.....	291
Drawings and Repayments .....	291
Renewal of initial Liquidity Facility Commitment Period .....	293
Prefunded Commitment.....	293
Interest on Drawings and Available Commitment.....	294
Arrangement Fee .....	294
Priority of Amounts Due to the Liquidity Facility Provider under the Liquidity Facility Agreement.....	295
Cancellation .....	295
Cancellation Timing .....	296
Assignment .....	296
Replacement and Additional Liquidity Facilities .....	296
Hedging Arrangements .....	297
Hedge Agreements .....	297
Form Approved Hedge Agreements .....	297
Currency Hedging Arrangements .....	297
<i>Asset Swap Agreements</i> .....	297
<i>Replacement Asset Swap Transactions</i> .....	298
Interest Rate Hedging Arrangements.....	299
<i>Interest Rate Hedge Agreements</i> .....	299
<i>Replacement Interest Rate Hedge Agreements</i> .....	299
<i>Hedge Agreement Eligibility Criteria</i> .....	299



Standard Terms of the Hedge Agreements .....	300
<i>Gross up</i> .....	300
<i>Limited Recourse and Non-Petition</i> .....	300
<i>Termination Provisions</i> .....	300
<i>Rating Downgrade Requirements</i> .....	301
<i>Transfer and Modification</i> .....	301
<i>Governing Law</i> .....	301
Reporting of Specified Hedging Data .....	302
Tax Considerations .....	303
General .....	303
Irish Taxation.....	303
<i>Tax Residency</i> .....	303
<i>Withholding Tax</i> .....	303
<i>Encashment Tax</i> .....	304
<i>Taxation of Noteholders</i> .....	304
<i>Capital Gains Tax</i> .....	304
<i>Capital Acquisitions Tax</i> .....	305
<i>Stamp Duty</i> .....	305
<i>EU Savings Directive</i> .....	305
<i>FATCA Implementation in Ireland</i> .....	305
U.S. Taxation .....	306
<i>In General</i> .....	306
<i>U.S. Tax Treatment of the Issuer</i> .....	307
<i>United States Withholding Taxes</i> .....	307
<i>Characterisation of the Notes</i> .....	308
<i>Payments of Interest and OID in Euros</i> .....	310
<i>Receipt of Euros</i> .....	310
<i>Foreign Currency Gain or Loss on Purchase or Disposition</i> .....	311
<i>Alternative Characterisation of the Notes</i> .....	311
Tax Treatment of U.S. Holders of Subordinated Notes .....	311
<i>Investment in a Passive Foreign Investment Company</i> .....	311
<i>Investment in a Controlled Foreign Corporation</i> .....	313
<i>Indirect Interests in PFICs and CFCs</i> .....	314
<i>Distributions on the Subordinated Notes</i> .....	314
<i>Purchase or Disposition of the Subordinated Notes</i> .....	315
<i>Tax Treatment of Tax-Exempt U.S. Holders</i> .....	316
<i>Tax Treatment of Non-U.S. Holders of Notes</i> .....	316
<i>Transfer Reporting Requirements</i> .....	317
<i>Tax Return Disclosure and Investor List Requirements</i> .....	317
<i>Information Reporting and Backup Withholding</i> .....	318
<i>FATCA Tax Reporting and Withholding</i> .....	319
Certain ERISA Considerations .....	321
Plan of Distribution.....	324
Subscription and Placement.....	324
General .....	325
<i>European Economic Area</i> .....	325
<i>Australia</i> .....	326

<i>Austria</i> .....	326
<i>Bahrain</i> .....	326
<i>Belgium</i> .....	326
<i>Canada</i> .....	327
<i>Cayman Islands</i> .....	327
<i>Denmark</i> .....	327
<i>Finland</i> .....	327
<i>Germany</i> .....	328
<i>Hong Kong</i> .....	328
<i>Ireland</i> .....	328
<i>Israel</i> .....	329
<i>Italy</i> .....	329
<i>Japan</i> .....	330
<i>Monaco</i> .....	330
<i>Netherlands</i> .....	330
<i>New Zealand</i> .....	330
<i>Norway</i> .....	330
<i>Portugal</i> .....	331
<i>Qatar</i> .....	331
<i>Saudi Arabia</i> .....	331
<i>Singapore</i> .....	331
<i>South Korea</i> .....	332
<i>Spain</i> .....	332
<i>Sweden</i> .....	332
<i>Switzerland</i> .....	332
<i>Taiwan</i> .....	332
<i>Turkey</i> .....	332
<i>United Arab Emirates</i> .....	333
<i>United Kingdom</i> .....	333
Transfer Restrictions .....	334
Rule 144A Notes .....	334
Regulation S Notes .....	342
Rule 17G-5 Compliance .....	349
General Information .....	350
Clearing Systems .....	350
Listing .....	351
Consents and Authorisations .....	351
No Significant or Material Change .....	351
No Litigation .....	351
Documents Available .....	351
Enforceability of Judgments .....	352
Foreign Language .....	352
Glossary of Defined Terms .....	353
ANNEX A .....	365

Form of ERISA Certificate .....	365
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## TRANSACTION OVERVIEW

The following Overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this prospectus (this “**Prospectus**”) and related documents referred to herein. Capitalised terms not specifically defined in this Overview have the meanings set out in Condition 1 (*Definitions*) under “*Terms and Conditions of the Notes*” below or are defined elsewhere in this Prospectus. An index of defined terms appears at the back of this Prospectus. References to a “**Condition**” are to the specified Condition in the “*Terms and Conditions of the Notes*” below and references to “**Conditions of the Notes**” are to 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*”.

<b>Issuer</b>	CVC Cordatus Loan Fund IV Limited, a private company with limited liability incorporated in Ireland.
<b>Collateral Manager</b>	CVC Credit Partners Group Limited.
<b>Sub-Manager</b>	CVC Credit Partners Investment Management Limited.
<b>Trustee</b>	BNY Mellon Corporate Trustee Services Limited
<b>Placement Agent</b>	Goldman Sachs International.
<b>Arranger</b>	Goldman Sachs International.
<b>Collateral Administrator</b>	The Bank of New York Mellon SA/NV, Dublin Branch.
<b>Liquidity Facility Provider</b>	The Bank of New York Mellon.
<b>Eligible Purchasers</b>	<p>The Notes of each Class will be offered:</p> <ul style="list-style-type: none"> <li>(a) outside of the United States to non-U.S. Persons in “offshore transactions” in reliance on Regulation S; and</li> <li>(b) within the United States to persons and outside the United States to U.S. Persons, in each case, who are QIB/QPs.</li> </ul>
<b>Distributions on the Notes</b>	
<b>Payment Dates</b>	22 January and 22 July of each year, commencing on 22 July 2015 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non Business Days in accordance with the Conditions of the Notes).
<b>Stated Note Interest</b>	Interest in respect of the Notes of each Class will be payable semi-annually in arrear on each Payment Date (with the first Payment Date occurring on 22 July 2015) in accordance with the Interest Proceeds Priority of Payments.
<b>Deferral of Interest</b>	<p>Failure on the part of the Issuer to pay the Interest Amounts due and payable on any Class of Notes pursuant to Condition 6 (<i>Interest</i>) and the Priorities of Payments shall not be a Note Event of Default unless and until:</p> <ul style="list-style-type: none"> <li>(a) such failure continues for a period of at least five Business Days save: <ul style="list-style-type: none"> <li>(i) in the case of administrative error or omission only, where</li> </ul> </li> </ul>

such failure continues for a period of at least seven Business Days; and

- (ii) in the case of an administrative error or omission on any Redemption Date in respect of a Rated Note, where such failure continues for at least seven Business Days; and
- (b) in respect of any non payment of interest due and payable on (i) the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full; (ii) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full; (iii) the Class E Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full and (iv) the Class F Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full,

and save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes are not made on the relevant Payment Date in such circumstances, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest on such unpaid amount at the rate of interest applicable to such Notes. See Conditions 6(c) (*Deferral of Interest*).

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

## **Redemption of the Notes**

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

- (a) on the Maturity Date;
- (b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date) (see 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*));
- (c) if, as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each subsequent Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case until redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(e) (*Redemption upon Effective Date Rating Event*));
- (d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption following Expiry of the Reinvestment Period*));

- (e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer) (i) if the Interest Diversion Test is not satisfied and the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for reinvestment; and (ii) following certification by the Collateral Manager to the Trustee (upon which certificate the Trustee shall be entitled to rely without further enquiry and without liability) that, using reasonable endeavours, 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 or Interest Proceeds (see Condition 7(d) (*Special Redemption*));
- (f) in whole (with respect to all Classes of Rated Notes) but not in part on any Business Day following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) if directed in writing by the Subordinated Noteholders (acting by way of an Ordinary Resolution) (see 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*));
- (g) in part by the redemption in whole of one or more Classes of Rated Notes from Refinancing Proceeds on any Business Day following the expiry of the Non-Call Period if directed in writing by the Collateral Manager or the Subordinated Noteholders (acting by way of an Ordinary Resolution), as long as the Class of Rated Notes to be redeemed represents not less than 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 or Collateral Manager*));
- (h) in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds on any Business Day following the expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager (see Condition 7(b)(iii) (*Optional Redemption in Whole - Collateral Manager Clean-up Call*));
- (i) on any Business Day the Subordinated Notes may be redeemed in whole at the direction of the Subordinated Noteholders acting by way of Extraordinary Resolution or at the direction of the Collateral Manager following the redemption in full of all Classes of Rated Notes (see Condition 7(b)(viii) (*Optional Redemption of Subordinated Notes*));
- (j) on any Business Day following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution (See Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*));
- (k) on any Business Day in whole (with respect to all Classes of Rated Notes) at the option of the Controlling Class or the Subordinated Noteholders in each case acting by way of Extraordinary Resolution,

following the occurrence of a Note Tax Event, subject to (i) the Issuer having failed to change the territory in which it is resident for tax purposes and (ii) certain minimum time periods. See Condition 7(g) (*Redemption following Note Tax Event*);

- (l) at any time following a Note Event of Default which occurs and is continuing and has not been cured (See Condition 10(a) (*Note Events of Default*));
- (m) on any Payment Date following the Reinvestment Period if the Interest Diversion Test is not satisfied (see Condition 7(d) (*Special Redemption*)).

### **Non-Call Period**

During the period from the Issue Date up to, but excluding, the Payment Date falling on or about 23 January 2017 (the “**Non-Call Period**”), the Notes are not subject to Optional Redemption (save for upon a Collateral Tax Event or a Note Tax Event). See Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*).

### **Redemption Prices**

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

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

The holders of any Class may agree to decrease the Redemption Price for such Class by way of Unanimous Resolution.

### **Priorities of Payments**

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

each case as described in the Conditions.

## **Collateral Management Fees**

**Senior Collateral Management Fee** 0.20 per cent. per annum of the Aggregate Collateral Balance. See “Description of the Collateral Management Agreement”.

**Subordinated Collateral Management Fee** 0.30 per cent. per annum of the Aggregate Collateral Balance. See “Description of the Collateral Management Agreement”.

**Incentive Collateral Management Fee** After having met or surpassed the Incentive Collateral Management Fee IRR Threshold of 12.0 per cent., 20.0 per cent. of any Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments. See “Description of the Collateral Management Agreement”.

**Collateral Manager Advances** The Collateral Manager may, at its discretion and from time to time but not more than once per calendar year nor more than three times in aggregate, advance an amount (each such amount, a “**Collateral Manager Advance**”) to the Issuer for the purpose of:

- (a) funding the purchase or exercise of rights under Collateral Enhancement Debt Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised; or
- (b) as a contribution to Interest Proceeds or Principal Proceeds, to be applied in accordance with the applicable Priorities of Payments.

Each Collateral Manager Advance may bear interest provided that such rate of interest shall not exceed a rate of EURIBOR plus 2.0 per cent. per annum. All such Collateral Manager Advances shall be repaid out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payments or, at the discretion of the Collateral Manager, out of amounts standing to the credit of the Collateral Enhancement Account.

## **Sub-Management**

**Sub-Management Agreement** Pursuant to a collateral sub-management agreement (the “**Collateral Sub-Management Agreement**”) to be entered into on or about the Issue Date between the Issuer, the Collateral Manager and the Sub-Manager, the Collateral Manager will delegate certain duties and obligations of the Collateral Manager under the Collateral Management Agreement, such delegated duties and obligations to be provided by the Sub-Manager to the Collateral Manager and not to the Issuer.

**Sub-Manager Services Fee** The Sub-Manager is entitled to a sub-manager services fee (the “**Sub-Manager Services Fee**”), such Sub-Manager Services Fee being exclusive of any applicable value added tax, payable to the Sub-Manager by the Collateral Manager and shall not be entitled to a fee from the Issuer in respect of managing the Portfolio.



## Security for the Notes

### *General*

The Notes will be secured in favour of the Trustee for the benefit of the Secured Parties by security over a portfolio of Collateral Debt Obligations predominantly consisting of Senior Secured Loans, Senior Secured Bonds, Second Lien Loans, Mezzanine Obligations and High Yield Bonds. 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. See Condition 4 (*Security*).

### *Hedge Arrangements*

The Issuer will not be permitted to enter into a Hedge Agreement to hedge interest rate risk and/or currency risk unless either (i) such Hedge Agreement complies with the Hedge Agreement Eligibility Criteria, or (ii) the Issuer obtains 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 Collateral Manager to register with the United States Commodities Futures Trading Commission (the "CFTC") as a commodity pool operator or a commodity trading advisor pursuant to the United States Commodity Exchange Act of 1936, as amended (a "**Commodity Pool**"). Notwithstanding the above, if, in the reasonable opinion of the Collateral Manager, entry into a Hedge Agreement would require registration of the Collateral Manager as a Commodity Pool with respect to, and at the expense of, the Issuer, the Issuer will not be permitted to enter into such Hedge Agreement unless such registration is made by the Collateral Manager. The Issuer will also be obliged to obtain Rating Agency Confirmation prior to entering into any hedging arrangements after the Issue Date unless it is in a form in respect of which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has previously received written approval from each Rating Agency. See "*Hedge Arrangements*".

## Purchase of Collateral Debt Obligations

### *Initial Investment Period*

Prior to the Issue Date, the Issuer expects to have acquired or entered into a binding commitment to acquire Collateral Debt Obligations with an Aggregate Principal Balance equal to approximately 60 per cent. of the Target Par Amount. During the period from and including the Issue Date to but excluding the earlier of:

- (a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and
- (b) 17 June 2015 (or, if such day is not a Business Day, the next following Business Day),

(such earlier date, the "**Effective Date**" and, such period, the "**Initial Investment Period**"), the Issuer, or the Collateral Manager on its behalf, intends to purchase the remainder of the Portfolio of Collateral Debt Obligations, subject to the Eligibility Criteria and certain other restrictions.

### *Reinvestment in Collateral Debt*

Subject to and in accordance with the Collateral Management Agreement, the Collateral Manager shall, on behalf of the Issuer, use reasonable endeavours

***Obligations***

to use Principal Proceeds available from time to time to purchase Substitute Collateral Debt Obligations meeting the Eligibility Criteria and the Reinvestment Criteria during the Reinvestment Period.

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

***Eligibility Criteria***

In order to qualify as a Collateral Debt Obligation, an obligation must satisfy the Eligibility Criteria or (i) Issue Date Collateral Debt Obligations shall be required to satisfy the Eligibility Criteria on the Issue Date; or (ii) in the case of an obligation which is the subject of a restructuring, the Restructured Obligation Criteria on the applicable Restructuring Date. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation save for an Issue Date Collateral Debt Obligation which must also satisfy the Eligibility Criteria on the Issue Date and Restructured Obligations which must satisfy the Restructured Obligation Criteria as at the applicable Restructuring Date. See “*The Portfolio- Sale of Collateral Debt Obligations*” and “*The Portfolio - Reinvestment in Collateral Debt Obligations*”.

***Restructured Obligations***

In order for a Collateral Debt Obligation which is the subject of a restructuring to qualify as a Collateral Debt Obligation it must constitute a Restructured Obligation as at the applicable Restructuring Date.

***Collateral Quality Tests***

The Collateral Quality Tests will comprise the following:

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

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

For so long as any 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 Weighted Average Life Test;
- (b) the Minimum Weighted Average Spread Test; and
- (c) the Minimum Weighted Average Coupon Test.

Each of the Collateral Quality Tests are defined in the Collateral Management

Agreement and described in “*The Portfolio*” below.

## 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):

	Minimum	Maximum
Senior Secured Loans and Senior Secured Bonds	90.00%	N/A
Senior Secured Bonds and High Yield Bonds	N/A	35.00%
Second Lien Loans, Senior Unsecured Obligations, High Yield Bonds, Mezzanine Obligations	N/A	10.00%
Fixed Rate Collateral Debt Obligations	N/A	12.50%
Asset Swap Obligations	N/A	20.00%
Unhedged Collateral Debt Obligations	N/A	2.50%
Swapped Non-Discount Obligations	N/A	5.00%
Domicile of Obligors 1	N/A	10.00% Domiciled in countries or jurisdictions rated below “A-” by Fitch unless Rating Agency Confirmation from Fitch is obtained.
Domicile of Obligors 2	N/A	10.00% Domiciled in countries or jurisdictions with a Moody’s local currency country risk ceiling between “A1” and “A3”.
Current Pay Obligations	N/A	5.00%
Unfunded Amounts/Funded Amounts under Revolving	N/A	5.00%

Obligations/Delayed Drawdown Collateral Debt Obligations		
Corporate Rescue Loans	N/A	5.00%, provided that not more than 2.00% shall consist of Corporate Rescue Loans from a single Obligor.
PIK Obligations	N/A	5.00%
Annual Obligations	N/A	5.00% unless Rating Agency Confirmation obtained
Moody's Caa Obligation	N/A	7.50%
Fitch CCC Obligation	N/A	7.50%
Moody's Rating derived from S&P Rating	N/A	10.00%
Senior Secured Loans and Senior Secured Bonds to a single Obligor	N/A	2.50% provided that up to 3 Obligor may represent up to 3.00% each
Senior Unsecured Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds to a single Obligor	N/A	1.50% provided that up to 3 Obligor may represent up to 2.00% each
Collateral Debt Obligations to a single Obligor	N/A	3.00%
Moody's Industry Classifications	N/A	10.00%, of the Aggregate Collateral Balance may consist of Collateral Debt Obligations that are issued by obligors that belong to any single Moody's industry classification, except that (x) two Moody's industry classifications may each represent up to 12.00% of the Aggregate Collateral Balance; and (y) one Moody's industry

		classification may represent up to 15.00% of the Aggregate Collateral Balance.
Maximum Fitch industry N/A category in any single Fitch industry		20.00% provided that in respect of the three Fitch industry categories containing the most Collateral Debt Obligations, not more than 50.00% thereof may consist of Collateral Debt Obligations whose Obligor belongs to one of those Fitch industry categories.
Participations	N/A	5.00%
Bridge Loans	N/A	2.50%
Bivariate Risk Table	N/A	See limits set out in “ <i>The Portfolio - Bivariate Risk Table</i> ”
Cov-Lite Loans	N/A	20.00%
Non-Broadly Syndicated Loans to Portfolio Companies	N/A	20.00%

## Coverage Tests

The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Rated Notes and distributions may be made on the Subordinated Notes or whether funds which would otherwise be used to pay interest on the Rated Notes and to make distributions on the Subordinated Notes must instead be used to pay principal on one or more Classes of Rated Notes in accordance with the Priorities of Payments.

Each of the Par Value Tests and Interest Coverage Tests shall be satisfied on a Determination Date in the case of (i) the Par Value Tests, on or after the Effective Date; and (ii) the Interest Coverage Tests on or after the Determination Date immediately preceding the second Payment Date; if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test:

Class	Required Par Value Ratio
A/B	133.9%
C	123.9%

D	118.2%
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E	109.3%
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Class	Required Interest Coverage Ratio
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A/B	120.0%
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C	110.0%
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D	105.0%
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E	102.0%
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### Interest Diversion Test

If the Class F Par Value Ratio is less than 105.7 per cent. on the relevant Determination Date, Interest Proceeds shall be paid to the Principal Account (i) during the Reinvestment Period, for the acquisition of additional Collateral Debt Obligations and (ii) following the Reinvestment Period, for the redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case, in an amount (such amount, the “**Required Diversion Amount**”) equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (W) of the Interest Proceeds Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of (A) through (V) inclusive of the Interest Proceeds Priority of Payments, would be sufficient to cause the Interest Diversion Test to be met as of the relevant Determination Date after giving effect to any payments made pursuant to paragraph (W) of the Interest Proceeds Priority of Payments, such amounts to be applied during the Reinvestment Period to purchase additional Collateral Debt Obligations.

### Liquidity Facility

For the period from (and including) the Issue Date to (but excluding) the earliest of (a) the Business Day that is immediately preceding the date that is four years and five months from the Issue Date, subject to renewal for one or two additional one year periods in accordance with the Liquidity Facility Agreement (including such renewal being subject to Rating Agency Confirmation); (b) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its provisions; (c) the date on which the Rated Notes are redeemed in full, or in each case, if such day is not a Business Day, the Business Day immediately prior to such day (the “**Commitment Period**”), the Issuer will, subject to satisfaction of certain conditions, be entitled on any proposed date of advance to make drawings under a liquidity facility (the “**Liquidity Facility**”) provided pursuant to a liquidity facility agreement (the “**Liquidity Facility Agreement**”) entered into on or before the Issue Date, between, inter alios, the Issuer (as borrower) and The Bank of New York Mellon (as liquidity facility provider) (the “**Liquidity Facility Provider**”).

The Issuer will be entitled to draw under the Liquidity Facility Agreement (each, a “**Liquidity Drawing**”) funds for the payment of any shortfall in any amounts due and payable by the Issuer under, and in accordance with, the

Interest Proceeds Priority of Payments on any Payment Date (provided each applicable Coverage Test senior to the relevant payment is satisfied on the relevant Determination Date), but in any event in an amount not exceeding the lesser of (i) the amount of the Available Commitment then available (taking into account any Liquidity Drawing scheduled to be repaid on the proposed date of drawdown) on the day such Liquidity Drawing is to be made and subject to receipt of confirmation from the Collateral Administrator that there will be sufficient amounts available in the Interest Account to make repayments of such Liquidity Drawing in full on or before the Payment Date following the date of the Liquidity Drawing; and (ii) the relevant Liquidity Shortfall, each subject to certain limitations as set out in “*Description of the Liquidity Facility Agreement*”.

Save as otherwise provided in the Liquidity Facility Agreement, the Issuer shall repay each Liquidity Drawing in full on the Payment Date following the applicable date of drawdown in accordance with the applicable Priorities of Payments. Each Subsequent Drawdown (as defined in the Liquidity Facility Agreement) shall be applied in repayment (in whole or in part) of the related Initial Drawdown (as defined in the Liquidity Facility Agreement) or, if applicable, any Subsequent Drawdown refinancing the same or refinancing any earlier Subsequent Drawdown.

The maximum amount of the Liquidity Facility shall be €3,000,000 until the end of the Commitment Period (subject to reduction, amortisation or cancellation in accordance with the terms of the Liquidity Facility Agreement).

#### **Authorised Denominations**

The Regulation S Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Rule 144A Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof.

#### **Form, Registration and Transfer of the Notes**

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

The Rule 144A Notes of each Class (other than the Class E Notes and Class F Notes and the Subordinated Notes) including, where applicable, the CM

Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class, will be represented on issue by one or more Rule 144A Global Certificates in fully registered form, without interest coupons or principal receipts deposited on or about the Issue Date with, and registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may at any time only be held through, and transfers thereof will only be effected through, records maintained by Euroclear or Clearstream, Luxembourg.

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

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

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

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

CM 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 CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM 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 CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted.

CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates at



any time may only be held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes.

**Governing Law**

The Notes, the Trust Deed, the Collateral Management Agreement, the Agency Agreement, the Liquidity Facility Agreement and all other Transaction Documents (other than the Euroclear Security Agreement (which is governed by the laws of Belgium)) will be governed by English law.

**Listing**

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.

**Tax Status**

See “*Tax Considerations*”.

**Certain ERISA Considerations**

See “*Certain ERISA Considerations*”.

**Withholding Tax**

No gross up of any payments to the Noteholders is required of the Issuer. See Condition 9 (*Taxation*).

**Forced sale and withholding pursuant to FATCA**

Under FATCA, the Issuer may require each Noteholder (which may include a nominee or beneficial owner of a Note for these purposes) 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 achieve FATCA Compliance, 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 achieve FATCA Compliance, may compel the Issuer to withhold on payments to such holders (and the Issuer will not pay any additional amounts with respect to such withholding).

**Additional Issuances**

Subject to certain conditions being met, additional Notes of:

- (a) one or more existing Classes; and
- (b) one or more new Classes, provided that such new Classes will be subordinated in right to the repayment of interest and principal of the Rated Notes in accordance with applicable Priorities of Payments,

may be issued and sold.

See Condition 17 (*Additional Issuance*).

Noteholders should be aware that additional Notes that are treated for non-tax purposes as a single series with the original Notes may be treated as a separate series for U.S. federal income tax purposes. In such case, the new Notes may be considered to have been issued with original issue discount and may not have the same U.S. federal tax characterisation as indebtedness or equity, which may affect the market value of the original Notes since such additional Notes may not be distinguishable from the original Notes.

**Retention Holder and Retention**

The Retention Holder will agree that for so long as any Class of Notes

## **Requirements**

remains Outstanding, it will subscribe for on the Issue Date, and hold on an ongoing basis, not less than 5 per cent. of the outstanding nominal value of each Class of Notes with the intention of complying with the Retention Requirements as such requirements apply as of the Issue Date provided, however, that the Retention Holder may transfer the Retention Notes to the extent such transfer would not cause the transaction to be non-compliant with the Retention Requirements. See “*The Retention Holder and Retention Requirements*”.

## **RISK FACTORS**

An investment in the Notes of any Class involves certain risks, including risks relating to the Collateral securing such Notes and risks relating to the structure and rights of such Notes and the related arrangements. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Prospectus, prior to investing in any Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (*Definitions*) of the “*Terms and Conditions of the Notes*”.

### ***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 to 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 Payments*). In particular, payments in respect of the Class A Notes are generally higher in the Priorities of Payments than those of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes. Neither the Placement Agent nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Placement Agent or the Trustee which is not included in this Prospectus.

Significant risks may exist for the Issuer and investors in Notes as a result of the uncertain general economic conditions. These risks include, among others, (i) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (ii) the illiquidity of the Notes, as there may be no secondary trading in the Notes. These risks may affect the returns on the Notes to investors and the ability of investors to realise their investment in the Notes prior to their stated maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans may be volatile, and the level of new issuances may be uncertain and may vary based on a number of factors, including general economic conditions. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this may increase reinvestment or refinancing risk in respect of maturing Collateral Debt Obligations. These additional risks may affect the returns on the Notes to investors and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally. Limitations on the amount of available credit in the market may have an adverse impact on general economic conditions that affect the performance of the Collateral. The slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realisation value of the Collateral. It is possible that the Collateral will experience higher default rates than anticipated and that performance will suffer.

### ***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.

### ***No representation***

The information contained in this Prospectus was obtained from the Issuer and other sources, but no assurance is or can be given by the Placement Agent, the Arranger, the Trustee, the Collateral Manager, the Retention Holder, any Agent, any Hedge Counterparty or anyone other than the Issuer as to the adequacy, accuracy or completeness of such information and this Prospectus does not constitute and shall not be construed as any representation or warranty by the Placement Agent, the Arranger, the Trustee, the Collateral Manager, the Retention Holder, any Agent, any Hedge Counterparty or anyone other than the Issuer as to the adequacy, accuracy or completeness of such information contained herein. None of the Placement Agent, the Arranger, the Trustee, the Collateral Manager, the Retention Holder, any Agent, any Hedge Counterparty or anyone other than the Issuer have independently verified any of the information contained herein (accounting, capital, tax, financial, legal, regulatory or otherwise) and in making an investment decision, investors must rely on their own examination of the terms of this Prospectus, including the merits and risks involved. Delivery of this Prospectus to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective investor shall not be entitled to, and must not rely on, this Prospectus unless it was furnished to such prospective investor directly by the Issuer, Placement Agent, or the Arranger.

The Notes may only be issued or allotted exclusively to a person who has received and acknowledged a warning to the effect that (i) the Notes are only suitable for acquisition by a person who (a) has a significantly substantial asset base such that would enable the person to sustain any loss that might be incurred as a result of acquiring such Notes and (b) is sufficiently financially sophisticated to be reasonably expected to know the risks involved in acquiring the Notes and (ii) neither the issue of the Notes nor the activities of any functionary with regard to the issue of the Notes are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Each person who acquires the Notes will be deemed, by such acquisition, to have represented that he or it is one of the foregoing persons and deemed to have acknowledged the preceding statement.

### ***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. In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and it may not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

### ***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 in the event of market emergencies. The regulation of derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

### ***Events in the CLO and Leveraged Finance Markets***

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

Many European economies continue to suffer from high rates of unemployment. This economic climate may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Several countries have experienced or are currently experiencing a “double-dip” recession and there remains a risk of a “double-dip” recession in countries which have experienced modest growth over previous quarters and continued recession in countries which have not yet experienced positive growth since the onset of the global recession.

As discussed further in “*Euro and Euro zone Risk*” below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of leaving the Euro is impossible to predict with 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.

There exist significant risks for the Issuer and investors as a result of the current economic conditions. These risks could include, among others, (i) the likelihood that the Issuer will find it more difficult to sell any of its assets or to purchase new assets in the secondary market, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Maturity Date. In addition, the primary market for a number of financial products including leveraged loans has stalled. As well as reducing opportunities for the Issuer to purchase assets in the primary market, this is likely to increase the refinancing risk in respect of maturing assets. Although there have recently been signs that the primary market for certain financial products is recovering, particularly in the United States of America, the impact of the economic crisis on the primary market may adversely affect the flexibility of the Collateral Manager to invest and, ultimately, the returns on the Notes to investors.

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

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

One of the effects of the global credit crisis and the failure of financial institutions has been an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the Collateral Manager in managing and administering the Collateral.

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

### ***Euro and Euro zone Risk***

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

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

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

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

### ***Regulatory Initiatives***

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

### ***Risk Retention in Europe***

On 1 January 2014, Regulation (EU) No 575/2013 (the “**CRR**”) on prudential requirements for credit institutions and investment firms became effective. Articles 404-410 of the CRR replace, restate and, in certain respects, amend the requirements previously found in Article 122a of the Capital Requirements Directive 2006/48/EC (as amended by Directive 2009/111/EC) and restrict EEA- regulated institutions and consolidated group affiliates thereof (including those that are based outside of the EEA) (each an “**Affected CRR Investor**”) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EEA-regulated institution that it will retain, on an ongoing basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or asset exposures. Articles 404-410 of the CRR apply to new securitisations issued on or after 1 January 2011.

On 13 June 2014, Delegated Regulation (EU) No. 625/2014 of 13 March 2014 supplementing the CRR (the “**Final Technical Standards**”) was published in the Official Journal of the European Union. The Final Technical Standards provide greater detail on the interpretation and implementation of Article 404 and came into force on 3 July 2014.

Article 17 of European Union Directive 2011/61/EU (the “**AIFMD**”) applies to the EEA managers of alternative investment funds the managers of which are regulated under the AIFMD (“**AIFMs**”). The requirements applying to AIFMs under the AIFMD became effective on July 22, 2013. Though these requirements are similar to those applying under Articles 404-410 of the CRR, they are not identical. In particular, Article 17 of the AIFMD requires AIFMs to ensure that the sponsor or originator of a securitisation meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than are imposed on institutions under Articles 404-410 of the CRR.

Requirements similar to those set out in Articles 404-410 of the CRR and the AIFMD will also apply to investments in securitisations by other types of EEA investors such as insurance and reinsurance undertakings (when Solvency II comes into force) and also (once level 2 measures are adopted under Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (the “**UCITS Directive**”)) by funds requiring authorisation under the UCITS Directive (all of which investors, together with AIFMs and Affected CRR Investors, are “**Affected Investors**”). Though many aspects of the detail and effect of such requirements remain unclear, the CRR, AIFMD, Solvency II, the UCITS Directive and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for some or all investors may also negatively impact the regulatory position of individual holders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Affected Investors should therefore make themselves aware of the requirements of the applicable legislation governing retention and due diligence requirements for investing in securitisations (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. In doing so, Affected Investors should also bear in mind that the aforementioned directives are required to be implemented in national law by the European Union member states, whose respective interpretations should therefore be considered on a case-by-case basis.

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 herein in “*The Retention Holder and Retention Requirements*”, information elsewhere in this Prospectus generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Affected Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Collateral Manager, the Placement Agent, the Retention Holder, the Collateral Administrator, the Placement Agent, the Agents, the Trustee, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the requirements of the CRR, the AIFMD, Solvency II, the UCITS Directive or any other applicable legal regulatory or other requirements and no such Person shall have any liability to any prospective investor or any other Person with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the CRR, the AIFMD, Solvency II, the UCITS Directive or any applicable legal, regulatory or other requirement, then if you are an Affected Investor you may be required by your regulator to set aside additional capital against your investment in the Notes or take other remedial measures in respect of your investment in the Notes.

With respect to the intended fulfilment by the Retention Holder of the risk retention requirements of the CRR and the AIFMD, please refer to “*The Retention Holder and Retention Requirements*” section of this Prospectus.

### **CRA3**

On 13 May 2013, the finalised text of a Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies (“**CRA3**”) was published. CRA3 became effective on 20 June 2013 (the “**CRA3 Effective Date**”). CRA3 provides for certain additional disclosure requirements which will become applicable in relation to structured finance transactions. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority (“**ESMA**”). As yet, this website has not been set up, so issuers, originators and sponsors cannot currently comply with such requirements. The scope

and manner of such disclosure will be subject to regulatory technical standards (the “**CRA3 RTS**”) prepared by ESMA. ESMA’s advice to the European Commission in this area was released in its Final Report (the “**Final Report**”) setting out the final draft CRA3 RTS for consideration by the European Commission on 20 June 2014. The final form CRA3 RTS were adopted by the European Commission on 30 September 2014 and will take effect 20 days after their publication in the Official Journal of the EU, with the disclosure and reporting requirements becoming applicable from 1 January 2017. However, in their current form, the CRA3 RTS only apply to structured finance instruments for which a reporting template has been specified by ESMA. Currently there is no template for CLO transactions. Additionally, CRA3 has introduced a requirement that issuers or related third parties of structured finance instruments solicit two independent ratings for their obligations; and should consider appointing at least one rating agency having less than a ten per cent. market share. The Issuer has appointed Moody’s and Fitch as independent rating agencies to rate each Class of Rated Notes. The Issuer considered appointing a rating agency with no more than ten per cent. of the total market share but determined not to do so. Investors should consult their legal advisors as to the applicability of CRA3 in respect of their investment in the Notes.

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

### **EMIR**

The European Market Infrastructure Regulation EU 648/2012 (“**EMIR**”) entered into force on 16 August 2012. EMIR aims to increase stability in over-the-counter (“**OTC**”) derivatives markets and includes measures to require the clearing of certain OTC derivatives through central clearing counterparties and to increase the transparency of OTC derivatives. EMIR introduces certain requirements in respect of derivative contracts entered into by certain financial counterparties (“**FCs**”), such as European investment firms, alternative investment funds, credit institutions and insurance companies, and counterparties who are not FCs (“**NFCs**”).

In connection with EMIR, various technical standards have now come into force, however, certain critical technical standards remain outstanding, including those addressing which classes of OTC derivative contracts will be subject to the clearing obligation and the scope of collateralisation obligations in respect of OTC derivative contracts which are not cleared. FCs will be subject to a general obligation to clear all “eligible” OTC derivative contracts through a duly authorised or recognised central counterparty (the “**clearing obligation**”), to report the details of all derivative contracts to a trade repository (the “**reporting obligation**”) and undertake certain risk mitigation techniques in respect of OTC derivative contracts which are not subject to the clearing obligation (the “**risk mitigation obligation**”), such as the timely confirmation of the terms of the OTC derivative contracts, portfolio reconciliation and compression and the implementation of dispute resolution procedures.

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



elsewhere herein. If the Issuer is, as a result, unable to enter into Hedge Agreements this will affect its ability to purchase Non-Euro Obligations or may result in it being in breach of its obligations to enter into Asset Swap Transactions with respect to any Non-Euro Obligations it has purchased. The Issuer may also be exposed to interest rate risk as further described below (see “*Interest Rate Risk*” below). The Conditions of the Notes allow the Trustee, without the consent of any of the Noteholders, to concur with the Issuer in the making of modifications to the Transaction Documents and/or the Conditions of the Notes to comply with the requirements of EMIR which may become applicable at a future date. Further regulations are expected. Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts and may adversely affect the Issuer’s ability to engage in derivative contracts. As a result of such increased costs and/or increased regulatory requirements, investors may also receive significantly less or no interest or return, as the case may be. Alternatively the regulations and/or associated costs involved could preclude the Collateral Manager from being able to execute its investment strategy as anticipated. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respects of the Notes.

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

The AIFMD became effective on 22 July 2013, although there are transitional provisions which expire one year later on 22 July 2014. The AIFMD provides, among other things, that all alternative investment funds (“**AIFs**”) must have a designated AIFM with responsibility for portfolio and risk management. The AIFMD does not apply to “securitisation special purpose entities” (the “**SSPE Exemption**”). A number of national regulators have issued policy statements in relation to the implementation of the AIFMD in their jurisdictions, including the Financial Conduct Authority (the “**FCA**”) in the United Kingdom and the Central Bank in Ireland. However in providing such guidance, the regulators have referred to the possibility that the European Securities and Markets Authority will, in due course, provide additional guidance on the types of structures which will be considered AIFs and the meaning of the SSPE Exemption under the AIFMD.

- (a) The European Securities and Markets Authority has not yet given any formal guidance on the application of the SSPE Exemption or whether a CLO would fall within the SSPE Exemption. If the AIFMD were to apply to the Issuer, the Collateral Manager would need to be appropriately regulated. The Issuer would also be classified as a “financial counterparty” under EMIR and may be required to comply with clearing obligations or other risk mitigation techniques with respect to Hedge Transactions including obligations to post margin to any central clearing counterparty or market counterparty. See also “*EMIR*” above. In addition, the AIFMD would entail several consequences for the Issuer, notably:
- (b) the Issuer would have to appoint a duly licensed AIFM (the “**Issuer AIFM**”);
- (c) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;
- (d) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer’s investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);
- (e) valuation procedures would need to be designed at the Issuer level;
- (f) a depositary would have to be appointed in relation to the Issuer’s assets; and
- (g) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

From the Issuer’s perspective, if the Issuer were considered to be an AIF and could not benefit from the SSPE Exemption or any other exemption, the AIFMD would require the Collateral Manager and/or the Issuer to seek authorisation to become an AIFM under the AIFMD. If the Collateral Manager or the Issuer were to fail to, or be unable to, obtain such authorisation, the Collateral Manager may not be able to continue to manage the Issuer’s assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD

(or otherwise) that impairs the ability of the Collateral Manager to manage the Issuer's assets may adversely affect the Issuer's ability to carry out its investment strategy and achieve its investment objective.

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

### ***U.S. Dodd-Frank Act***

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) was signed into law on 21 July 2010. The Dodd-Frank Act represents the most comprehensive change to financial regulation in the United States, and affects virtually every area of the capital markets. Implementation of the Dodd-Frank Act requires many lengthy rulemaking processes that will ultimately result in the adoption of a multitude of new regulations potentially applicable to the Collateral Manager and its subsidiaries and affiliates and the Issuer that transact business in the U.S. or with U.S. persons outside the U.S. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the U.S. and internationally, of the business of the Collateral Manager, including securitisation, proprietary trading, investing, creation and management of investment funds, OTC derivatives and other activities. While certain regulations implementing various provisions of the Dodd-Frank Act have been finalised and adopted, many implementing regulations currently exist only in draft form and are subject to comment and revision, while other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect. In addition, the joint final rule implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act was adopted on October 21 and October 22, 2014. Although such rule will not become effective until two years after the date of publication thereof in the U.S. Federal Register, it could limit the ability of the Issuer to issue additional Notes or undertake any Refinancing after the effective date.

### ***Commodity Pool Regulation***

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

In addition, the Issuer's ability to enter into Hedge Transactions may cause the Issuer to be a “commodity pool” as defined in the United States Commodity Exchange Act of 1936, as amended (“**CEA**”) and the Collateral Manager to be a “commodity pool operator” (“**CPO**”) as defined in the CEA in respect of the Issuer. The CEA, as amended by the Dodd-Frank Act, defines a “commodity pool” to include certain investment vehicles operated for the purpose of trading in “commodity interests” which includes swaps. CPOs are subject to regulation by the CFTC and must register with the CFTC unless an exemption from registration is available. Based on recent CFTC interpretive guidance, the Issuer is not expected to be treated as a commodity pool and as such, the Issuer (or the Collateral Manager on the Issuer's behalf) may enter into Hedge Agreements (or any other agreement that would fall within the definition of “swap” as set out in the CEA) (i) if at the time such Hedge Agreement is entered into, it satisfies the Hedge Agreement Eligibility Criteria; or (ii) in respect of which it obtains legal advice from reputable counsel to the effect that none of the Issuer, its directors or officers, the Collateral Manager or any of its or their affiliates or any other person would be required to register as a CPO with the CFTC with respect to the Issuer. Notwithstanding the above, if, in the reasonable opinion of the Collateral Manager, entry into a Hedge Agreement

would require registration of the Collateral Manager as a CPO, the Issuer will not be permitted to enter into such Hedge Agreement unless such registration is made by the Collateral Manager with respect to, and at the expense of, the Issuer.

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

Further, if the Collateral Manager determines that additional Hedge Transactions should be entered into by the Issuer in excess of the trading limitations set forth in any applicable exemption from registration as a CPO, the Collateral Manager may elect to withdraw its exemption from registration and instead register with the CFTC as the Issuer's CPO. The costs of obtaining and maintaining these registrations and the related compliance obligations would 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 Collateral 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 Collateral Manager to withdraw from registration as a CPO after any relevant swap transactions terminate or expire. The costs of CPO registration and the ongoing CPO compliance obligations of the Collateral Manager could exceed, perhaps significantly, the financial risks that are being hedged pursuant to any Hedge Transaction.

### ***Volcker Rule***

Final rules implementing Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") have been adopted and will become effective on July 21, 2015, subject to two additional one-year extensions announced by the Federal Reserve which together would extend until July 21, 2017, the period for covered banking entities to conform their ownership interests in and sponsorship of certain CLOs to the Volcker Rule. As of that date and thereafter, the Volcker Rule would generally prohibit covered banking entities and other entities subject to the Volcker Rule from, among other things, acquiring or retaining an "ownership interest" in a "covered fund" (each as defined in the Volcker Rule). Because the Issuer relies on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder, unless the Issuer qualifies for an exemption under the Volcker Rule, it is likely to be considered to be a covered fund. The Issuer will not seek to qualify for any exemption to the Volcker Rule. There is no assurance that the Issuer will seek such an exemption in the future or that, if the Issuer did so, it would be successful. If the Issuer is a "covered fund" subject to the Volcker Rule, then covered banking entities and other entities subject to the Volcker Rule would be restricted from acquiring and retaining Notes or any other interests in the Issuer that qualify as "ownership interests" under the Volcker Rule. One of the indicia of the existence of an "ownership interest" is the right to participate in the selection or removal of an investment manager. The Transaction Documents have been drafted in a manner intended to avoid an investment in the CM Non-Voting Notes or the CM Non-Voting Exchangeable Notes of the Controlling Class of Notes (where the Controlling Class is constituted by the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes) by a covered banking entity being deemed to be an "ownership interest" by disenfranchising the holders of such Notes in respect of the right to remove and replace the Collateral Manager. There can be no assurance that these steps will be effective to avoid investments in the Issuer by U.S. banking institutions and other banking entities subject to the

Volcker Rule (whether in the form of CM Non-Voting Notes, CM Non-Voting Exchangeable Notes or otherwise) being deemed to be an “ownership interest” in the Issuer. Thus, it is important that, although the Volcker Rule provides limited exceptions and exemptions to its prohibitions, each investor in the Notes must make its own determination as to whether it is a covered banking entity or otherwise subject to the Volcker Rule, whether the Issuer is a “covered fund” under the Volcker Rule, whether its investment in the Notes would or could in the future be restricted or prohibited under the Volcker Rule, whether any extension of the Volcker Rule conformance period would be applicable to such investor’s investment in the Notes, and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally. The Volcker Rule and interpretations thereunder are still uncertain, may restrict or discourage the acquisition of Notes by covered banking entities, and may adversely affect the liquidity of the Notes. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Placement Agent, the Arranger the Collateral Manager, the Sub-Manager, the Trustee or 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.

### ***Reliance on Rating Agency Ratings***

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

### ***Flip Clauses***

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

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

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

removed to a U.S. district court. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

The flip clause examined in the Belmont case is similar in substance to the relevant provisions in the Priorities of Payments, 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 Payments would certainly be enforceable as a matter of English law, in the case of insolvency of a Hedge Counterparty.

Moreover, if the Priorities of Payments are the subject of litigation in any jurisdiction outside England and Wales, in particular in the United States of America, and such litigation results in a conflicting judgment in respect of the binding nature of the Priorities of Payments, it is possible that termination payments due to the Hedge Counterparties would not be subordinated as envisaged by the Priorities of Payments 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.

### ***LIBOR and EURIBOR Reform***

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

The London Inter-Bank Offered Rate (“**LIBOR**”) is currently being reformed, including (i) as of 1 February 2014, the replacement of the BBA with ICE Benchmark Administration Limited as LIBOR administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transaction data. Investors should be aware that:

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

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

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

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

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

Investors should be aware that:

- (a) any of these changes or any other changes to EURIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if the applicable rate of interest on any Collateral Debt Obligation is calculated with reference to a EURIBOR currency or tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Collateral Debt Obligation, which may include determination by the relevant calculation agent in its discretion;
- (c) if the EURIBOR benchmark referenced in Condition 6 (Interest) is discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Notes*); and
- (d) the administrator of EURIBOR will not have any involvement in the Collateral Debt Obligations or the Notes and may take any actions in respect of EURIBOR without regard to the effect of such actions on the Collateral Debt Obligations or the Notes.

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

### ***Financial Transaction Tax (“FTT”)***

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a FTT requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, (the “**Participating Member States**”).

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

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive identified the date of introduction of the FTT across the Participating Member States as being January 1, 2014, a subsequent joint statement by the finance ministers of the Participating Member States (except for Slovenia) published on 6 May 2014 has identified the revised date of introduction of the FTT as being 1 January 2016 at the latest. Additional Member States may also decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

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

## **FATCA**

FATCA potentially imposes a withholding tax of 30 per cent on certain payments made to the Issuer, including potentially all interest paid on, and proceeds from the sale or other disposition of Collateral Debt Obligations or Eligible Investments in U.S. obligors, unless the Issuer complies with regulations in Ireland that implement the intergovernmental agreement between Ireland and the United States (the “**Ireland IGA**”). The Ireland IGA requires, among other things, that the Issuer collect and provide to the Irish government (which will provide such information to the US Internal Revenue Service) substantial information regarding direct and indirect holders of the Notes unless the Issuer qualifies as a “**Non-Reporting Irish Financial Institution**” (as defined in the Ireland IGA) or is otherwise entitled to an exemption under FATCA. The Issuer anticipates that withholding will not be imposed on payments made to the Issuer, or on payments made by the Issuer, unless the Internal Revenue Service has specifically listed the Issuer as a non-participating financial institution, the Issuer has otherwise assumed responsibility for withholding under U.S. tax law, or the Issuer is unable to comply with FATCA or the Ireland IGA. The Issuer intends to comply with its obligations under the Ireland IGA and FATCA. However, in some cases, the ability to comply could depend on factors outside of the Issuer’s control. The rules under FATCA or the Ireland IGA may also change in the future. Future guidance may subject payments on Notes to a withholding tax of 30% if each foreign financial institution (“**FFI**”), as defined under FATCA, that holds any such Note, or any intermediary through which any such Note is held, has not entered into an information reporting agreement with the Internal Revenue Service under FATCA or complied with the terms of a relevant intergovernmental agreement. Holders that do not supply information required to permit compliance with FATCA and the Ireland IGA, or whose ownership of Notes may otherwise prevent the Issuer from complying with FATCA (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including but not limited to forced transfer of their Notes. There can be no assurance, however, that these measures will be effective, and that the Issuer and holders of the Notes will not be subject to withholding taxes under FATCA or the Irish Regulations implementing the Ireland IGA. The imposition of such taxes could materially affect the Issuer’s ability to make payments on the Notes or could reduce such payments and the costs of compliance with FATCA and the Ireland IGA may be significant. If the Issuer were to move from Ireland to another jurisdiction, the Issuer would be required to enter into an agreement with the Internal Revenue Service or comply with the terms of that jurisdiction’s intergovernmental agreement with the United States relating to FATCA in order to avoid the imposition of FATCA withholding. FATCA may also apply to intermediaries and Holders may be subject to withholding or forced transfers if they do not comply with similar information requests made by an intermediary (or if an intermediary otherwise fails to comply with FATCA).

FATCA and provisions of the Ireland IGA and Irish IGA Legislation are complex and their application to the Issuer is not entirely certain as the rules continue to be issued and revised. Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

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

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

Placement Agent, the Collateral Manager, the Sub-Manager and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

### ***Third Party Litigation; Limited Funds Available***

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

### ***Preferred creditors under Irish law***

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security that 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 (that may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) that have been approved by the Irish courts. See "*Examinership*" below.

The holder of a fixed security over the book debts of an Irish incorporated company (that 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 that the holder received in payment of debts due to it by the company.

Where notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, 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 that 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 chargor does not have liberty to deal with the assets that 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 chargor from withdrawing or otherwise dealing with the moneys 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 purported to be created by the Trust Deed would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

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

### ***Examinership***

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors, 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 his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment.

Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist 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 the 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, 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 include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

- (a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed 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 moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the Notes or under any other secured obligations.

### ***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 ("COMI") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("ECJ") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, Irish insolvency proceedings would not be applicable to the Issuer.

### **Relating to the Notes**

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

Although there is currently a limited market for notes representing collateralised debt obligations similar to the Notes (other than the Subordinated Notes), there is currently no market for the Notes themselves. The Placement Agent may make a market for the Notes, but is not obliged to do so, and any such market making may be discontinued at any time without notice. There can be no assurance that any secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of such Notes. Consequently, a purchaser must be prepared to hold such Notes for an indefinite period of time or until the Maturity Date. In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require any of the Issuer or any of their officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes will not be registered under the Securities Act or any U.S. state securities laws, and the Issuer has no plans, and is under no obligation, to register the Notes under the Securities Act. The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See the "*Plan of Distribution*" and "*Transfer Restrictions*" sections of this Prospectus. Such restrictions on the transfer of the Notes may further limit their liquidity.

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

#### ***Optional Redemption and Market Volatility***

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

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

A form of liquidity for the Subordinated Notes is the optional redemption provision set out in Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*). There can be no assurance, however, that such optional redemption provision will be capable of being exercised in accordance with the conditions set out in Condition 7(b) (*Optional Redemption*) which may in some cases require a determination that the amount realisable from the Portfolio in such circumstances is greater than the aggregate of all amounts which would be due and payable on redemption of the Rated Notes and to the other creditors of the Issuer pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Priorities of Payments.

***The Notes are subject to Optional Redemption in Whole or in Part by Class***

The Rated Notes may be redeemed in whole from Sale Proceeds and/or Refinancing Proceeds (A) after the Non-Call Period, on any Business Day at the direction of the Subordinated Noteholders acting by way of Ordinary Resolution or (B) following the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution.

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

Following the expiry of the Non-Call Period, the Collateral Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount.

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

In the case of a Refinancing upon a redemption of the Rated Notes in part by Class, such Refinancing will only be effective if certain conditions are satisfied, including but not limited to: (i) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption and (ii) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes on the next Payment Date will be at least sufficient to pay the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption in full and all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with the Refinancing in full. See Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

The Trust Deed provides that the holders of the Subordinated Notes will not have any cause of action against any of the Issuer, the Collateral Manager, the Collateral Administrator, the Placement Agent, the Arranger or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Trust

Deed, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Trust Deed to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of the Subordinated Notes. No assurance can be given that any such amendments to the Trust Deed or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not direct such redemption).

The Notes shall also be redeemed on any Business Day in whole but not in part at the written direction of (x) the Controlling Class or (y) the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event. The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day on or after the redemption or repayment in full of the Rated Notes, at the written direction of either of (x) the Subordinated Noteholders (acting by Extraordinary Resolution) or (y) the Collateral Manager.

Remedies pursued by the Controlling Class could be adverse to the interests of holders of Notes that are subordinated to the Controlling Class and the Controlling Class will have no obligation to consider any possible effects on such interests.

The Collateral Manager may also cause the Issuer to redeem the Rated Notes in whole from Sale Proceeds on any Payment Date falling on or after the expiry of the Non-Call Period, if the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount.

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

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager in its sole discretion certifies to the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Debt Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria and whose acquisition by the Issuer would be in compliance with, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in additional Collateral Debt Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payments. Additionally, a Special Redemption may apply in respect of Interest Proceeds if the Interest Diversion Test is not met (i) during the Reinvestment Period, if the Collateral Manager determines that it is unable to identify additional suitable Collateral Debt Obligations for reinvestment and (ii) following the Reinvestment Period, at any time. 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.

***Mandatory Redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes***

Certain mandatory redemption arrangements may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Class C Noteholders, to the Class D Noteholders, to the Class E Noteholders, to the Class F Noteholders or the level of the returns to the Subordinated Noteholders, as provided in more detail below.

### ***Mandatory Redemption following breach of the Coverage Tests***

If either of the Class A/B Coverage Tests are not met on any Determination Date on and after the Effective Date (in the case of the Class A/B Par Value Test) or on and after the Determination Date immediately preceding the second Payment Date (in the case of the Class A/B Interest Coverage Test), Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Tests are satisfied if recalculated following such redemption, provided that the Class A/B Coverage Tests shall be deemed to be satisfied if the Class A Notes and the Class B Notes have been redeemed in full.

If either of the Class C Coverage Tests is not met on any Determination Date on and after the Effective Date (in the case of the Class C Par Value Test) or on and after the Determination Date immediately preceding the second Payment Date (in the case of the Class C Interest Coverage Test), Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, provided that the Class C Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full.

If either of the Class D Coverage Tests is not met on any Determination Date on and after the Effective Date (in the case of the Class D Par Value Test) or on and after the Determination Date immediately preceding the second Payment Date (in the case of the Class D Interest Coverage Test), Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, provided that the Class D Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full.

If either of the Class E Coverage Tests is not met on any Determination Date on and after the Effective Date (in the case of the Class E Par Value Test) or on and after the Determination Date immediately preceding the second Payment Date (in the case of the Class E Interest Coverage Test), Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption, provided that the Class E Coverage Tests shall be deemed to be satisfied if the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full.

### ***The Reinvestment Period may Terminate Early***

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

### ***The Collateral Manager May Reinvest After the End of the Reinvestment Period***

After the end of the Reinvestment Period, the Collateral Manager may still reinvest Unscheduled Principal Proceeds received with respect to the Collateral Debt Obligations and the Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, subject to certain conditions set forth in the Collateral Management Agreement. See “Reinvestment of Collateral Debt Obligations - *Following the Expiry of the Reinvestment Period*” below.

***Additional Issuances of Notes or the Making of Contributions May Prevent the Failure of Coverage Tests and a Note Event of Default***

At any time, the Issuer may issue and sell additional Notes and use the net proceeds to acquire Collateral Debt Obligations and, if applicable, enter into additional Hedge Transactions in connection with the Issuer's issuance of, and making payments on, the Notes and ownership of and disposition of the Collateral Debt Obligations, and/or (in the case of the proceeds of issuance of additional Subordinated Notes only) towards the Permitted Uses. See Condition 17 (*Additional Issuance*). Additionally, the Collateral Manager may accept (i) a contribution of cash from a Noteholder or (ii) a designated portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on the Subordinated Notes of a Subordinated Noteholder, to the Issuer (each, a **"Contribution"** and each such Noteholder, a **"Contributor"**).

The application of the proceeds of additional Notes as Interest Proceeds or toward the acquisition of additional Collateral Debt Obligations and/or the acceptance of a Contribution could result in satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Note Events of Default from occurring and thus potentially decrease the occurrence of principal prepayments of the highest ranking Class of Notes.

***Additional Issuances of Subordinated Notes not subject to Anti-Dilution Rights or Noteholder approval***

The Issuer may issue and sell additional Notes, subject to the satisfaction of a number of conditions, including but not limited to the consent of the Retention Holder, and that the holders of the relevant Class of Notes in respect of which further Notes are issued shall be afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance of such additional Notes. Accordingly, the proportion of Subordinated Notes held by a Subordinated Noteholder may be diluted following an additional issuance of Subordinated Notes. See Condition 17 (*Additional Issuance*).

***Additional Issuances of Notes May Result in the Dilution of Existing Noteholders***

The issuance and sale of additional Notes in accordance with Condition 17 (*Additional Issuance*) requires that existing Noteholders shall be afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance of such additional Notes. To the extent that an existing Noteholder determines not to purchase such additional Notes, or purchases only a portion of its entitlement thereof, the proportion of the Notes held by such holder may be diluted following such additional issuance.

***Purchase and Surrender of Rated Notes; Cancellation***

Contributions accepted and received into the Contributions Account may (at the direction of the related Contributor or, if no such direction is given by the Contributor, at the Collateral Manager's reasonable discretion) be applied by the Issuer in order to repurchase Rated Notes of any Class through a tender offer, in the open market, or in privately negotiated transaction(s) (in each case, subject to applicable law and in accordance with Condition 7(k) (*Purchase*)) (any such Rated Notes, **"Repurchased Notes"**). Any such Repurchased Notes will be submitted to the Trustee for cancellation and will be promptly cancelled by the Trustee on behalf of the Issuer and may not be issued or resold; *provided*, that Repurchased Notes which do not constitute part of the Controlling Class will continue to be treated as "Outstanding" for purposes of calculation of the Par Value Tests and the Interest Diversion Test.

***Limited Recourse Obligations***

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral securing the Notes. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse and Non-Petition*). None of the Collateral Manager, the Sub-Manager, the Noteholders of any Class, the Placement Agent, the Arranger, the Retention Holder, the Trustee, the Collateral Administrator, the Liquidity

Facility Provider, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing or the Issuer's Affiliates or any other person or entity (other than the Issuer) will be obliged to make payments on the Notes of any Class. Consequently, Noteholders must rely solely on distributions on the Collateral Debt Obligations and other Collateral securing the Notes for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Debt Obligations and other Collateral securing the Notes will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or pari passu with such Class pursuant to the Priorities of Payments. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets (and, in particular, no assets of the Collateral Manager, the Noteholders, the Placement Agent, the Retention Holder, the Trustee, the Collateral Administrator, the Liquidity Facility Provider, the Custodian, any Agent, any Hedge Counterparty, or any Affiliates of any of the foregoing) will be available for payment of the deficiency and following realisation of the Collateral and the application of the proceeds thereof in accordance with the Priorities of Payments, the obligations of the Issuer to pay such deficiency shall be extinguished. Such shortfall will be borne (as amongst the Noteholders) by (a) firstly, the Subordinated Noteholders; (b) secondly, the Class F Noteholders; (c) thirdly, the Class E Noteholders; (d) fourthly, the Class D Noteholders; (e) fifthly, the Class C Noteholders; (f) sixthly, the Class B Noteholders and (f) lastly, the Class A Noteholders, in each case in accordance with the Priorities of Payments.

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

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

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

The payment of principal and interest on any other Classes of Notes may not be made until all payments of principal and interest due and payable on any Classes of Notes ranking in priority thereto pursuant to the Priorities of Payments have been made in full. Payments on the Subordinated Notes will be made by the Issuer to the extent of available funds and no payments thereon will be made until the payment of certain fees and expenses have been made and until interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes has been paid and, subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Collateral Enhancement Account to be applied in the acquisition or exercise of rights under Collateral Enhancement Debt Obligations and the requirement to transfer amounts to the Principal Account to be applied in the acquisition of Collateral Debt Obligations to the extent necessary to cause such threshold to be met, following such acquisition or to redeem the Rated Notes, in the event that the Interest Diversion Test is not met during the Reinvestment Period or following the Reinvestment Period, as the case may be.

Non-payment of any Interest Amount due and payable in respect of the Class A Notes or, following the redemption in full of the Class A Notes, the Class B Notes or, following the redemption in full of the Class B Notes, the Class C Notes, or, following the redemption in full of the Class C Notes, the Class D Notes, or, following the redemption in full of the Class D Notes, the Class E Notes or, following the redemption in full of the Class E Notes, the Class

F Notes on any Payment Date will constitute a Note Event of Default (where such non payment continues for a period of at least five Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10(a) (*Note Events of Default*).

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

The Trust Deed provides that in the event of any conflict of interest among or between the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of:

(i) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iii) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iv) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders and (v) the Class F Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater aggregate Principal Amount Outstanding of the Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes. See Condition 14(e) (*Entitlement of the Trustee and conflicts of interest*).

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

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



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

To the extent that interest payments on the Class C Notes, the Class D Notes or the Class E Notes are not made on a relevant Payment Date, such unpaid interest amounts will be deferred and the amount thereof added to the principal amount Outstanding of the Class C Notes, the Class D Notes or the Class E Notes as the case may be, and earn interest at the interest rate applicable to such Notes. Any failure to pay scheduled interest on the Class C Notes (so long as the Class A Notes or the Class B Notes are Outstanding), or to pay scheduled interest on the Class D Notes (so long as the Class A Notes, the Class B Notes or the C Notes are Outstanding), or to pay scheduled interest on the Class E Notes (so long as the Class A Notes, the Class B Notes, the Class C Notes or the Class D Notes are outstanding), or to pay scheduled or to pay interest and principal on the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priority of Payments, will not be a Note Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of 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.

### ***Reports Provided by the Collateral Administrator Will Not Be Audited***

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

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

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

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

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

published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Rated Notes. If any rating initially assigned to any Note is subsequently lowered or withdrawn for any reason, holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Rated Notes may significantly reduce the liquidity of the Notes and may adversely affect the Issuer's ability to make certain changes to the composition of the Collateral.

***Rating Agencies may refuse to give rating agency confirmations***

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

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

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

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

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

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

ratings could have a material adverse effect on the price and liquidity of the Rated Notes and, for regulated entities, could adversely affect the value of the Rated Notes as an investment or the capital treatment of the Rated Notes.

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

### ***Average Life and Prepayment Considerations***

The Maturity Date of the Notes is the Payment Date falling on or around 24 January 2028 (subject to adjustment for non Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Debt Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the issuers of the underlying Collateral Debt Obligations and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Debt Obligations. Collateral Debt Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Debt Obligation may change the composition and characteristics of the Collateral Debt Obligations and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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

### ***Volatility of the Subordinated Notes***

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

be borne first by holders of the Subordinated Notes, and then by the holders of the Rated Notes in reverse order of seniority.

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

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

### ***Net Proceeds less than Aggregate Amount of the Notes***

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

### ***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 the Issuer is entitled to withhold from any payments in respect of the Notes any amount required by law (see Condition 9). In particular, the Issuer has the right to withhold on all payments made to any beneficial owner of an interest in any of the Notes that fails to comply with its requests for identifying information to enable the Issuer to achieve FATCA Compliance or to certain FFIs that fail to enter into a FATCA agreement with the Internal Revenue Service. See further “*FATCA*” above.

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

In the event of the occurrence of a Note Tax Event pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction for or on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of each of the Controlling Class or the Subordinated Notes, in each case acting by way of Extraordinary Resolution, subject to certain conditions including a threshold test pursuant to which determination is made as to whether the anticipated proceeds of liquidation of the security over the Collateral would be sufficient to pay all amounts due and payable on the Rated Notes in such circumstances in accordance with the Priorities of Payments.

### ***Security***

**Clearing Systems:** Collateral Debt Obligations or other assets forming part of the Collateral which are in the form of securities (if any) will be held by the Custodian on behalf of the Issuer pursuant to the Agency Agreement and, in respect of any assets cleared through Euroclear, on behalf of the Trustee pursuant to the Euroclear Security Agreement. The Custodian will hold such assets which can be cleared through Euroclear in an account with Euroclear (the “**Euroclear Account**”) unless the Trustee otherwise consents 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 any appropriate clearing system or otherwise, as set out in the Agency Agreement. 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. A first fixed charge over the Portfolio will be created under English

law pursuant to the Trust Deed on the Issue Date which will, in relation to the Collateral Debt Obligations that are held through the Custodian, take effect as a security interest over (i) the beneficial interest of the Issuer in its share of the pool of securities fungible with the relevant Collateral Debt Obligations held in the accounts of the Custodian on trust for the Issuer and (ii) the Issuer's ancillary contractual rights against the Custodian in accordance with the terms of the Agency Agreement (as defined in the Conditions) which may expose the Secured Parties to the risk of loss in the case of a shortfall of such securities in the event of insolvency of the Custodian.

On the Issue Date the Issuer will grant a pledge pursuant to Belgian law over the Euroclear Account (the "**Euroclear Security Agreement**"). The effect of this security interest will be to enable the Custodian, on enforcement of the security created thereby, to sell the securities in the Euroclear Account on behalf of the Trustee. The Euroclear Security Agreement will not entitle the Trustee to require delivery of the relevant securities from the depositary or depositaries that have physical custody of such securities or allow the Trustee to dispose of such securities directly.

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

Any risk of loss arising from any insufficiency or ineffectiveness of the security for the Notes or the custody and clearance risks which may be associated with assets comprising the Portfolio will be borne by the Noteholders without recourse to the Issuer, the Placement Agent, the Trustee, the Collateral Manager, the Collateral Administrator, the Custodian, 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 and the Interim 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 Collateral 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.

### ***Resolutions, Amendments and Waivers***

The Conditions and the Trust Deed contain detailed provisions governing modification of the Conditions and the Transaction Documents and the convening of meetings and passing of Resolutions by the Noteholders. Certain key risks relating to these provisions are summarised below, however all of the following discussion is subject to the provision in Condition 14(b)(x) (*Retention Holder Veto*), that provided no Retention Event has occurred and is continuing, no modification nor any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria or any material changes to them nor the appointment of a replacement Collateral Manager (other than a replacement Collateral Manager appointed upon the removal of the Retention Holder or any Affiliate of the Retention Holder) will be effective without the consent in writing of the Retention Holder.

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Unanimous 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, Extraordinary Resolution or Unanimous Resolution affects only the holders of one or more Classes of Notes, in which event the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the holders of that Class or Classes of Notes.

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

There are, however, quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider an Extraordinary Resolution, an Ordinary Resolution or a Unanimous Resolution. In the case of an Extraordinary Resolution, this is one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable), 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) and in the case of a Unanimous Resolution this is one or more persons holding or representing not less than 100 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, in the event that a quorum requirement is not satisfied at any meeting, other than in the case of a Unanimous Resolution meeting, lower quorum thresholds will apply at any meeting previously adjourned for want of quorum as set out in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and in the Trust Deed.

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

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

Any Notes (including Rated Notes and Subordinated Notes) held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates, shall have no voting rights with respect to, and shall not be counted for the purposes of determining a quorum and the results of voting on any CM Removal Resolution or CM Replacement Resolution.

Class A Notes, Class B Notes, Class C Notes and Class D Notes in the form of CM Voting Notes may form a small percentage of the Controlling Class (or other relevant Class or Classes) and/or be held by a concentrated group of Noteholders. Investors should be aware that such CM Voting Notes will be entitled to vote to pass a CM Removal Resolution and a CM Replacement Resolution and the remaining percentage of the Controlling Class (or other relevant Class or Classes) held in the form of CM Non-Voting Notes and/or CM Non-Voting Exchangeable Notes will be bound by such resolution. Holders of the CM Voting Notes may have interests that differ from other holders of Rated Notes and may seek to profit or seek direct benefits from their voting rights.

Certain amendments and modifications may be made without the consent of Noteholders. See Condition 14(c) (*Modification and Waiver*). Such amendment or modification could be adverse to certain Noteholders.

For so long as the Controlling Class includes the Class A Notes, for the purposes of Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the voting provisions of the Trust Deed and issuing directions

to the Trustee and any other decisions required to be made by any Class of Noteholders, except as otherwise provided in the Trust Deed. See Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Certain entrenched rights relating to the Terms and Conditions of the Notes including the currency thereof, Payment Dates applicable thereto, the Priorities of Payments, the provisions relating to quorums and the percentages of votes required for the passing of an Extraordinary Resolution and/or Unanimous Resolution (as applicable), cannot be amended or waived by Ordinary Resolution but require an Extraordinary Resolution or Unanimous Resolution (as applicable). 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 Terms and Conditions of the Notes and the provisions of the Trust Deed will be binding on all such dissenting Noteholders.

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

In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may also be made and waivers granted in respect of certain other matters, subject to prior notice thereof being given to the Trustee but without the consent of the Trustee or the Noteholders as set out in Condition 14(c) (*Modification and Waiver*).

#### ***Concentrated Ownership of one or more Classes of Notes***

If at any time one or more other affiliated owners hold a majority of one or more Classes of Notes, it may be more difficult for other investors to take certain actions that require consent of the one or more Classes of Notes without their consent. For example, a majority of the Subordinated Notes may by Ordinary Resolution direct an optional redemption of all of the Notes.

#### ***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 way of Ordinary Resolution (subject, in either case, to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable, provided that following a Note Event of Default described in paragraph (vi) or (vii) of the definition thereof shall occur, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and payable.

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, and shall, if so directed by the Controlling Class acting by Ordinary Resolution (subject, in either case, to being indemnified and/or secured and/or prefunded to its satisfaction), take Enforcement Action (as defined in the Conditions) in respect of the security over the Collateral provided that no such Enforcement Action may be taken by the Trustee unless: (A) it determines 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 Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments; (B) otherwise, in the case of a Note Event of Default specified in sub-paragraphs (i), (ii), or (iv) of 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 (C) in the case of any other Note Event of Default, each Class of Rated Notes acting independently by way of Ordinary Resolution may direct

the Trustee to take Enforcement Action (subject to being indemnified and/or secured and/or prefunded 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 the Notes in accordance with the Priorities 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.

### ***Certain ERISA Considerations***

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

### ***Forced Transfer***

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

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

In addition under FATCA, the Issuer (or an authorised agent acting on behalf of the Issuer (and any agent or broker through which a Noteholder purchases its Notes, or any nominee or other entity through which a Noteholder holds its Notes (any such agent, broker, nominee or other entity, an “**Intermediary**”) may be required to, among other things, provide certain information about the Noteholders to a taxing authority (see “*FATCA*” above). The Issuer expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners. The Issuer may force the sale of a Noteholder’s Notes in order to achieve FATCA Compliance, 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 achieve FATCA Compliance (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 achieve FATCA



Compliance. If the Issuer is required to sell the Notes, the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly transact in securities and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion. Each Noteholder and each other person in the chain of title from the Noteholder to the beneficial owner by its acceptance of an interest in the Notes agrees to co-operate with the Issuer and the Transfer Agent to effect such transfers. The terms and conditions of any such transfer shall be determined in the sole discretion of the Issuer subject to the transfer restrictions set out in this Prospectus and the Trust Deed, and neither the Issuer nor the Transfer Agent 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.

### ***U.S. Tax Characterisation of the Notes***

The Issuer has agreed and, by its acceptance of a Rated Note, each holder will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law. Upon the issuance of the Notes, Milbank, Tweed, Hadley & McCloy LLP will deliver an opinion generally to the effect that, assuming compliance with the Transaction Documents, and based on certain factual representations made by the Issuer and/or the Collateral Manager, the Class A Notes, the Class B Notes, the Class C Notes, and the Class D Notes will, and the Class E Notes should, be characterised as debt of the Issuer for U.S. federal income tax purposes. No opinion will be given in respect of the Class F Notes. The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. The opinion of Milbank, Tweed, Hadley & McCloy LLP will be based on current law and certain representations and assumptions. The foregoing opinion with respect to the Class E Notes is based on the assumption that there is not significant common ownership between the holders of the Subordinated Notes and holders of the Class E Notes. Significant common ownership between the holders of the Subordinated Notes and the Class E Notes could adversely affect the treatment of the Class E Notes as debt for United States federal income tax purposes and counsel's foregoing opinion with respect to such Class E Notes. Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the Internal Revenue Service will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes.

The Issuer has agreed and, by its acceptance of a Subordinated Note, each holder will be deemed to have agreed, to treat such Subordinated Note as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law.

### **Relating to the Collateral**

#### ***The Portfolio***

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

None of the Issuer, the Placement Agent or the Arranger, have made any investigation into the Obligors of the Collateral Debt Obligations. The value of the Portfolio may fluctuate from time to time (as a result of substitution or otherwise) and none of the Issuer, the Trustee, the Placement Agent, the Arranger, the Retention Holder, the

Custodian, the Collateral Manager, the Sub-Manager, the Collateral Administrator, the Liquidity Facility Provider, any other Agents, any Hedge Counterparty, or any of their Affiliates are under any obligation to maintain the value of the Collateral Debt Obligations at any particular level. None of the Issuer, the Trustee, the Placement Agent, the Arranger, the Custodian, the Collateral Manager, the Collateral Administrator, the Liquidity Facility Provider, the Agents, any Hedge Counterparty, the Retention Holder, 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.

### ***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, Corporate Rescue Loans, Senior Unsecured Obligations, Second Lien Loans, High Yield Bonds, Second Lien Loans and Mezzanine Obligations, 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 issuer or borrower, as the case may be, to make payments of principal or interest. Such investments may be speculative. See “*The Portfolio*” section of this Prospectus.

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 the “*Ratings of the Notes*” section of this Prospectus. There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels, payments on the Notes could be adversely affected by such defaults. To the extent that a default occurs with respect to any Collateral Debt Obligation securing the Notes and the Issuer sells or otherwise disposes of such Collateral Debt Obligation, it is likely that the proceeds of such sale or disposition will be less than the unpaid principal and interest thereon.

The financial markets 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 Collateral Manager (on behalf of the Issuer) to acquire or dispose of Collateral Debt Obligations at a price and time that the Collateral 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 Collateral Manager’s inability to dispose fully and promptly of positions in declining markets will conversely cause the value of the Portfolio to decline as the value of unsold positions is marked to lower prices. A decrease in the 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 Payments. Moreover, there can be no assurance as to the amount or timing of any recoveries received in respect of Defaulted Obligations.

The composition of the collateral pool may be influenced by discussions that the Collateral Manager and/or, prior to the Issue Date, the Placement Agent may have with investors, and there is no assurance that (i) any investor would have agreed with any views regarding the initial proposed portfolio that are expressed by another investor in such discussions, (ii) the collateral pool was not, and will not be, influenced more heavily by the views of certain

investors, particularly if that investor's participation in the transaction is necessary for the transaction to occur, in which case the Collateral Manager or the Placement Agent would not receive the benefits of its role in the transaction, and in order to preserve the possibility of future business opportunities between the Collateral Manager or the Placement Agent and such investors, (iii) those views, and any modifications made to the portfolio as a result of those discussions, will not adversely affect the performance of a holder's Notes, or (iv) the views of any particular investors that are expressed in such discussions will influence the composition of the collateral pool. The Collateral Manager will have sole authority to select, and sole responsibility for selecting, the Collateral Debt Obligations. Except for a right to object to certain purchases under the Warehouse Arrangements as described below, the Placement Agent has not and will not determine the composition of the collateral pool.

#### ***Acquisition of Collateral Debt Obligations prior to the Issue Date***

On behalf of the Issuer, the Collateral Manager has acquired, and will continue to enter into binding commitments to acquire, Collateral Debt Obligations (each, a **"Warehoused Asset"**, and collectively, **"Warehoused Assets"**) during the period prior to the Issue Date (such period, the **"Warehouse Period"**) pursuant to a financing arrangement (the **"Warehouse Arrangements"**) between the Issuer, the Collateral Manager, the Sub-Manager, one or more Affiliates of the Placement Agent (the **"Goldman Sachs Parties"**) and one or more funds controlled by an independent third party investor (such funds, together, the **"Warehouse Investors"**) with respect to such purchases. The Warehouse Arrangements will be terminated on the Issue Date, and all amounts owing to the Goldman Sachs Parties and the Warehouse Investors in connection with such arrangements will be repaid by the Issue Date from the proceeds of the issuance of the Notes.

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

Under the Warehouse Arrangements, the Goldman Sachs Parties provided and will provide prior to the Issue Date financing to the Issuer to allow its acquisition of the Warehoused Assets (provided that the Goldman Sachs Party approves the purchase of any such Warehoused Assets). The approval by any Goldman Sachs Parties of the purchase of any Warehoused Assets will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. If the Goldman Sachs Parties do not approve the purchase of any Warehoused Assets, the Issuer may be restricted from purchasing that asset for a certain period, which may result in the Issuer paying a higher price.

The Warehouse Investors have, during the Warehouse Period, provided certain of the junior funding to the Issuer. On the Issue Date, such junior funding will be redeemed at par plus the interest accrued on the Warehoused Assets (net of a financing fee due to the Goldman Sachs Parties and any other expenses and fees due under the Warehouse Arrangements). The Warehouse Investors may, but are not required to, purchase any Subordinated Notes on the Issue Date. If the Issue Date occurs, any losses or gains (realised or unrealised) resulting from changes in the market value of the Warehoused Assets as compared to the purchase price of the Warehoused Assets, will be for the account of the Issuer. If the Issue Date does not occur, the Warehouse Investors and the applicable Goldman Sachs Parties will bear the risk of loss in value of the Warehoused Assets. The interests of the Goldman Sachs Parties and the Warehouse Investors in respect of the Warehoused Assets will not necessarily align with, and may be directly contrary to, those of the investors in the Notes.

During the Warehouse Period, the Warehoused Assets may be purchased in the majority of cases (through the Collateral Manager acting as an originator, as described below) from: (a) dealers (other than the Goldman Sachs Parties), (b) other CLOs for which the Collateral Manager acts as collateral manager or (c) the Goldman Sachs Parties, provided that, pursuant to the policies and procedures of the Goldman Sachs Parties, no more than 25% of the Warehoused Assets may be purchased from Goldman Sachs Parties (except such restriction will not apply to Warehoused Assets sourced by Goldman Sachs Parties from third parties). In addition, in respect of Warehoused

Assets purchased from Goldman Sachs Parties, pursuant to the policies and procedures of the Goldman Sachs Parties, (i) if the applicable Warehoused Asset is quoted on LPC or Mark-it Partners by at least two dealers, a Goldman Sachs Party cannot sell such Warehoused Asset to the Issuer at a price greater than the lowest of such quoted offer plus 1% and (ii) if the applicable Warehoused Asset is not quoted on LPC or Mark-it Partners by at least two dealers, a Goldman Sachs Party cannot sell such Warehoused Asset to the Issuer at a price greater than the lowest quoted offer by at least two unaffiliated third-party dealers. If the applicable Warehoused Asset is not quoted on LPC or Mark-it Partners by at least two dealers and quotes from at least two unaffiliated third-party dealers cannot be solicited, a Goldman Sachs Party will not sell such Warehoused Asset to the Issuer.

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

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

The price and availability of a Collateral Debt Obligation may be adversely affected by a number of market factors, including price volatility of Collateral Debt Obligations and the availability of investments suitable for the Issuer, each of which could hamper the ability of the Issuer to acquire an initial portfolio of Collateral Debt Obligation that satisfy the Eligibility Criteria and the Effective Date Determination Requirements prior to the Effective Date. Delays in reaching the Target Par Amount 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.

The Collateral Manager (acting on behalf of the Issuer) shall promptly following receipt of the Effective Date Report, request that each of the Rating Agencies confirm its Initial Ratings of the Rated Notes, provided that if the Effective Date Moody's Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 30 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; (ii) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan; or (iii) where the Effective Date Moody's Condition is not satisfied, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's is not received, an Effective Date Rating Event shall have occurred. If an Effective Date Rating Event occurs, the Issuer may, in accordance with the Priorities of Payments, apply Interest Proceeds (and, to the extent Interest Proceeds are not sufficient, Principal Proceeds) to pay principal of the Rated Notes pursuant to the Note Payment Sequence until the Rated Notes are paid in full or until such ratings are confirmed. There is no assurance that the Issuer will be able to acquire Collateral Debt Obligations that satisfy the Eligibility Criteria and the Effective Date Determination Requirements.

The prices of the Rated Notes will be fixed on the pricing date. The actual purchase prices of the Warehoused Assets purchased after the pricing date were not known at that time and may be higher or lower than the purchase prices expected on the pricing date. The returns on Subordinated Notes will vary depending upon the actual

purchase prices of the Warehoused Assets and Collateral Debt Obligation purchased on or after the Issue Date and may be materially different from the expected returns calculated based upon market prices prevailing at the pricing date.

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

### ***Considerations Relating to the Initial Investment Period***

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

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

### ***Characteristics and Risks Relating to the Portfolio***

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

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

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

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

### ***Characteristics of Senior Loans, Senior Secured Bonds and Mezzanine Obligations***

The Portfolio Profile Tests provide that as of the Effective Date, at least 90 per cent. of the Aggregate Collateral Balance must consist of Senior Secured Loans and Senior Secured Bonds in aggregate (which shall comprise for this purpose the aggregate of the Aggregate Collateral Balance of the Senior Secured Loans and Senior Secured Bonds and the balances standing to the credit of the Principal Account and the Unused Proceeds Account, in each case as at the relevant Measurement Date). Senior Loans, Senior Secured Bonds and Mezzanine Obligations are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions or capital structures in respect of an Obligor, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the borrower 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 Senior Unsecured Obligations are typically at the most senior level of the capital structure with Second Lien Loans being subordinated thereto and Mezzanine Obligations being subordinated to any Senior Loans or to any other senior debt of the Obligor. 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 stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Senior Unsecured Obligations do not have the benefit of such security. Senior Secured Loans usually have shorter terms than more junior obligations

and often require mandatory prepayments from excess cash flows, asset dispositions and offerings of debt and/or equity securities.

Senior Secured Bonds typically bear interest at a fixed rate. Risks associated with fixed rate obligations are discussed at paragraph “*Interest Rate Risk*” below. Additionally, Senior Secured 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 Senior Secured Bond may therefore be able to amend the terms of the bond, including terms as to the amount and timing of payments, with the consent of a specified majority of bondholders, either voting by written resolution or as a majority of those attending and voting at a meeting, and the Issuer is unlikely to have a blocking minority position in respect of any such resolution. The Issuer may further be restricted by the Collateral Management Agreement from voting on certain matters, particularly extensions of maturity, which may be considered at a bondholder meeting. Consequently, material terms of a Senior Secured Bond may be varied without the consent of the Issuer.

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

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

Senior Loans, Senior Secured Bonds and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on, and repayment of, principal of the loans or bonds. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a Senior Loan, Senior Secured Bond or Mezzanine Obligation which is not waived by the lending syndicate or bondholders normally is an event of acceleration which allows the syndicate to demand immediate repayment in full of the outstanding loan. However, although any particular Senior Loan, Senior Secured Bond or Mezzanine Obligation may share many similar features with other loans or bonds and obligations of its type, the actual term of any Senior Loan, Senior Secured 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 in relation to Senior Loans, Senior Secured Bonds and Mezzanine Obligations***

In order to induce banks and institutional investors to invest in a Senior Loan or Mezzanine Obligation, and to obtain a favourable rate of interest, an Obligor under such an obligation often provides the investors therein with extensive information about its business, which is not generally available to the public. Because of the provision of confidential information, the unique and customised nature of the loan agreement relating to any given Senior Loan or Mezzanine Obligation, and the private syndication of the loan, Senior Loans and Mezzanine Obligations are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for example, the high yield bond market. Historically, investors in or lenders under

European Senior Loans and Mezzanine Obligations have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and collateral managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk in the event that such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Loans, resulting in increased disposal risk for such obligations.

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

### ***Increased Risks for Mezzanine Obligations***

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

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

### ***Prepayment Risk***

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Senior Secured Bonds may include obligor call or prepayment features, with or without a premium or makewhole. Prepayments on loans and bonds may be caused by a variety of factors, which are difficult to predict. Accordingly, there exists a risk that loans or bonds purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, Principal Proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Collateral Debt Obligations with comparable interest rates in compliance with the Reinvestment Criteria may adversely affect the timing and amount of payments and distributions received by the Noteholders and the yield to maturity of the Notes. There can be no assurance that the Issuer will be able to reinvest proceeds in Collateral Debt Obligations with comparable interest rates in compliance with the Reinvestment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

### ***Defaults and Recoveries***

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Senior Loans, Senior Secured Bonds, Mezzanine Obligations and Second Lien Loans and no assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Loans, Senior Secured Bonds and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Loan, Senior Secured Bond, Mezzanine Obligation or Second Lien Loan often will share many similar features with other loans and obligations of its type, the actual terms of any particular Senior Loan, Senior Secured Bond, Mezzanine



Obligation or Second Lien Loan will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on Senior Loans, Senior Secured Bonds, Mezzanine Obligations and Second Lien Loans may also be affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

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

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Debt Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial 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, 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 Loans, Senior Secured Bonds and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder. See “*Lender Liability Considerations; Equitable Subordination*” below.

### ***Investing in Cov-Lite Loans involves certain risks***

The Issuer or the Collateral Manager acting on its behalf may purchase Collateral Debt Obligations which are Cov-Lite Loans. Cov-Lite Loans typically do not have Maintenance Covenants. Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have Maintenance Covenants. In addition, the lack of Maintenance Covenants may make it more difficult to trigger a default in respect of such obligations. The definition of Cov-Lite Loan does not include any loan that, although it has no maintenance or incurrence covenant, contains a cross-default provision to another loan of the underlying obligor that requires the underlying obligor to comply with such financial covenants or a maintenance covenant (each, an “**excluded loan**”). If the application of such covenants is subject to certain conditions (for example, in the case of a revolver, the condition that such revolver has been drawn), and those conditions have not been satisfied, such covenants will afford no protection to the Issuer. As a result of the ownership of such excluded loans and Cov-Lite Loans, the Issuer’s exposure to losses may be increased, which could result in an adverse impact on the Issuer’s ability to make payments on the Notes.

### ***Characteristics of High Yield Bonds***

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

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

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

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

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

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

### ***Investing in Second Lien Loans involves certain risks***

The Collateral Debt Obligations may include Second Lien Loans, each of which will be secured by a pledge of collateral, but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to other secured obligations of the Obligor 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 impair the Issuer's recovery on a Collateral Debt Obligation if a default or foreclosure on that Collateral Debt Obligation occurs.

Liens on the collateral (if any) securing a Collateral Debt Obligation may arise at law that have priority over the Issuer's interest. An example of a lien arising under law is a tax or other government lien on property of an Obligor. A tax lien may have priority over the Issuer's lien on such collateral. To the extent a lien having priority over the Issuer's lien exists with respect to the collateral related to any Collateral 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.

### ***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 Collateral Manager will exercise or enforce, or refrain from exercising or enforcing, any or all of the Issuer's rights in connection with the Collateral 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 Collateral Management Agreement. The Noteholders will not have any right to compel the Collateral Manager to take or refrain from taking any actions other than in accordance with its portfolio management practices and the standard of care specified in the Collateral Management Agreement.

The Collateral Manager may, in accordance with its portfolio management practices and subject to the Trust Deed and the Collateral 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.

### ***Participations, Novations and Assignments***

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

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the loan agreement. The Issuer,

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

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

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.

### ***Voting Restrictions on Syndicated Loans for Minority Holders***

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

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

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

### ***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.

### ***Collateral Enhancement Debt Obligations***

All funds required in respect of the purchase price of any Collateral Enhancement Debt Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may be paid out of the Balance standing to the credit of the Collateral Enhancement Account at the relevant time, or out of a Collateral Manager Advance or as a Permitted Use of certain other proceeds. Such Balance shall include sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders.

To the extent that there are insufficient sums standing to the credit of the Collateral Enhancement Account from time to time to purchase or exercise rights under Collateral Enhancement Debt Obligations which the Collateral Manager determines on behalf of the Issuer should be purchased or exercised, the Collateral Manager may, at its discretion from time to time but not more than once per calendar year nor more than three times in aggregate, pay amounts required in order to fund such purchase or exercise (each such amount, an "**Collateral Manager Advance**") to such account pursuant to the terms of the Collateral Management Agreement. All such Collateral Manager Advances shall be repaid (together with interest thereon) out of Interest Proceeds and Principal Proceeds on each Payment Date pursuant to the Priorities of Payments or, at any time, at the discretion of the Collateral Manager, out of amounts standing to the credit of the Collateral Enhancement Account.

The Collateral Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and 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 Debt Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Debt Obligation will be partially dependent upon there being sufficient amounts standing to the credit of the Collateral Enhancement Account to pay the costs of any such exercise. If sufficient amounts are not so available, the Collateral Manager may, subject to the limits on the number of Collateral Manager Advances, at its discretion, fund the payment of any shortfall by way of a Collateral Manager Advance. However, the Collateral Manager is under no obligation to make any Collateral Manager Advance. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

Collateral Enhancement Debt 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.

### ***Counterparty Risk***

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

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

In the event that the Liquidity Facility Provider 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 Liquidity Facility Agreement unless the Liquidity Facility Provider either transfers its obligations under the applicable Liquidity Facility Agreement to a replacement liquidity facility provider which satisfies the Rating Requirement or collateralises its obligations in accordance with the terms of the Liquidity Facility Agreement.

Similarly, the Issuer will be exposed to the credit risk of the Account Bank, the Interim Account Bank and the Custodian to the extent of, respectively, all cash of the Issuer held in the Accounts, the Interim Accounts and all Collateral of the Issuer held by the Custodian.

In the event that the Account Bank or the Custodian is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the Issuer shall (at the expense of the Account Bank or Custodian, as the case may be) use its reasonable endeavours to procure the appointment of a replacement Account Bank or Custodian, as the case may be, with the applicable Rating Requirement and which is acceptable to the Trustee within 30 days of such withdrawal or downgrade.

### ***Concentration Risk***

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

section of this Prospectus. Although the resulting diversification of Collateral may reduce the risk described above, the diversification requirements applicable to the Issuer may cause the Issuer to invest in obligors or industries that suffer more defaults than if the Issuer were not required to invest in a diversified portfolio.

### ***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.

### ***Interest Rate Risk***

Certain Classes of Notes will bear interest at a floating rate based on EURIBOR. 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 Tests which requires that not more than 12.5 per cent. of the Aggregate Collateral Balance may comprise Unhedged Fixed Rate Collateral Debt Obligations.

In addition, any payments of principal or interest received in respect of Collateral Debt Obligations and not otherwise reinvested during the Reinvestment Period in Substitute Collateral Debt Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there will be a fixed/floating rate mismatch and/or a floating rate basis mismatch between the Notes and the underlying Collateral Debt Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Debt Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of EURIBOR could adversely affect the ability to make payments on the Notes. The historical performance of EURIBOR should not be taken as an indication of the performance of EURIBOR whilst the Rated Notes remain Outstanding. In addition, pursuant to the Collateral Management Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Interest Rate 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 (unless such Interest Rate Hedge Transaction is in a form in respect of which the Issuer (or the Collateral Manager on behalf of the Issuer) has previously received approval from each Rating Agency) and subject to certain regulatory considerations in relation to swaps, discussed in “*EMIR*” and “*Commodity Pool Regulation*” 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.

### ***Unhedged Collateral Debt Obligations***

The percentage of the Portfolio that is comprised of these types of 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 it is not required that all Non-Euro Obligations must be Asset Swap Obligations and some may be Unhedged Collateral Debt Obligations. Accordingly, 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.

The Issuer's ongoing payment obligations under the Hedge 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 Collateral 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 Collateral 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 Hedge Counterparty to perform its obligations under any hedges. If the 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 the Hedge Counterparty to cover its foreign exchange exposure.

### ***International Investing***

The Portfolio will consist of obligations of, or securities issued by, obligors organised under the laws of a variety of different countries. Investing in certain countries may involve greater risks than investing in other countries, including: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; (iii) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws; and (iv) foreign exchange controls. Moreover accounting, auditing and financial reporting standards, practices and requirements may vary from jurisdiction to jurisdiction.

Different markets also have different clearance and settlement procedures, which could create delays in the purchase and sale of Portfolio. Delays in settlement could result in periods when assets of the Issuer are uninvested or invested in short term investments with low yields. The inability to sell Collateral Debt Obligations due to settlement problems could result in losses due to subsequent declines in the value of the Collateral Debt Obligations.

### ***Reinvestment Risk/Uninvested Cash Balances***

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

During the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to dispose of certain Collateral 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 Collateral Manager will seek, to invest the proceeds thereof 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 Reinvestment Criteria and are acceptable to the Collateral Manager, and on market conditions related to high yield securities and bank loans in general. The need to satisfy such Reinvestment Criteria and identify acceptable investments may require the purchase of Collateral 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 on the Adjusted Aggregate Collateral Balance. Any decrease in the yield on the Adjusted Aggregate Collateral 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 in the event Collateral Debt Obligations are sold, prepaid, or mature, yields on Collateral Debt Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Debt Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Debt Obligations.

The timing of the initial investment of the net proceeds of issue of the Notes remaining after the payment of certain fees and expenses due and payable by the Issuer on the Issue Date and reinvestment of Sale Proceeds, Scheduled Principal Proceeds and Unscheduled Principal Proceeds, can affect the return to holders of, and cash flows available to make payments on, the Notes, especially the most junior Class or Classes of Notes. Loans and privately placed high yield securities are not as easily (or as quickly) purchased or sold as publicly traded securities for a variety of reasons, including confidentiality requirements with respect to Obligor information, the customised nature of loan agreements and private syndication. The reduced liquidity and lower volume of trading in loans, in addition to restrictions on investment represented by the Reinvestment Criteria, could result in periods of time during which the Issuer is not able to fully invest its cash in Collateral 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 loans usually have shorter terms than more junior obligations and often require mandatory repayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities. The increased levels of prepayments and amortisation of loans increase the associated reinvestment risk on the Collateral Debt Obligations which risk will first be borne by holders of the Subordinated Notes and then by holders of the Rated Notes, beginning with the most junior Class.

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

### ***Ratings on Collateral Debt Obligations***

The Collateral Quality Tests, the Portfolio Profile Tests and the Coverage Tests are sensitive to variations in the ratings applicable to the underlying Collateral Debt Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Impaired Obligation, a Moody's Caa Obligation or Fitch CCC Obligation (and therefore potentially subject to haircuts in the determination of the Par Value Tests and restriction in the Portfolio Profile Tests) or a Defaulted Obligation. The Collateral Management Agreement contains detailed provisions for determining the Moody's Rating and the Fitch Rating. In most instances, the Moody's Rating and the Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Debt Obligation. In most cases, the Fitch Rating and Moody's Rating in respect of a Collateral Debt Obligation will be based on a confidential credit estimate determined separately by Fitch and Moody's. Such confidential credit estimates are private and therefore not capable of being disclosed to Noteholders. In addition, some ratings will be derived by the Collateral Manager based on, among other things, Obligor group or Affiliate ratings, comparable ratings provided by a different Rating Agency and, in certain circumstances, temporary ratings applied by the Collateral Manager. In certain cases, the Moody's Rating and/or the Fitch Rating of a Collateral Debt Obligation may be derived from a rating assigned to such Collateral Debt Obligation by a different rating agency. Such derived ratings will not reflect detailed credit analysis of the particular Collateral Debt Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Debt Obligation than any such fundamental credit analysis might, if conducted, warrant; and model-derived variations in such ratings may occur (and have consequential effects on the Collateral Quality Tests,

the Portfolio Profile Tests and the Coverage Tests) without necessarily reflecting comparable variation in the actual credit quality of the Collateral Debt Obligation in question. Please see “Ratings of the Notes” and “*The Portfolio*”.

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

There can be no assurance that rating agencies will continue to assign such ratings utilising the same methods and standards utilised today despite the fact that such Collateral Debt Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of Moody’s Caa Obligations and Fitch 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. See Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

### ***Insolvency Considerations relating to Collateral Debt Obligations***

Collateral Debt Obligations may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of Obligor and, if different, in which the Obligor conduct business and in which they hold the assets, which may adversely affect such Obligor’s 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 Senior Loans, Senior Secured Bonds, Mezzanine Obligations, Corporate Rescue Loans, Mezzanine Obligations and High Yield Bonds entered into by Obligor in such jurisdictions. No reliable historical data is available.

### ***Lender Liability Considerations; Equitable Subordination***

In recent years, a number of judicial decisions in the United States and other jurisdictions have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed “***lender liability***”). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the

borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although it would be a novel application of the lender liability theories, the Issuer may be subject to allegations of lender liability. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to any, conduct that would form the basis for a successful cause of action based upon lender liability.

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

The preceding discussion is based upon principles of United States federal and state laws. Insofar as Collateral 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.

### ***Loan Repricing***

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

Downward movements in interest rates could also adversely affect the performance of non-investment grade bonds with call or redemption features. Such a call or redemption feature would permit the issuer of such debt securities to repurchase such securities from the Issuer. If a call were exercised by such an issuer during a period of declining interest rates, the Issuer likely would have to replace such called non-investment Collateral Debt Obligations with lower yielding Collateral Debt Obligations.

### ***Changes in Tax Law; No Gross Up; General***

At the time when the Collateral Debt Obligations are acquired by the Issuer, the Eligibility Criteria require that payments of interest on the Collateral Debt Obligations either will not be reduced by any withholding tax imposed by any jurisdiction (with the exception of commitment fees associated with Collateral Debt Obligations constituting Revolving Obligations and Delayed Drawdown Collateral Debt Obligations) or, if and to the extent that any such withholding tax does apply, the relevant Obligor will be obliged to make gross up payments that cover the full amount of such withholding tax. However, there can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Debt Obligations

might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to gross up. 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 relevant 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 without withholding or deduction of tax. In the event that 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. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Debt Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class. The occurrence of any withholding tax imposed by any jurisdiction owing to a change in law may result in the occurrence of a Collateral Tax Event pursuant to which the Notes may be subject to early redemption at the option of the Subordinated Noteholder in the manner described in Condition 7(b) (*Optional Redemption*).

### ***Collateral Manager***

The Collateral Manager is given authority in the Collateral Management Agreement to act as Collateral Manager to the Issuer in respect of the Portfolio pursuant to and in accordance with the parameters and criteria set out in the Collateral Management Agreement. See “*The Portfolio*” and “*The Collateral Manager*” sections of this Prospectus. The powers and duties of the Collateral Manager in relation to the Portfolio include effecting, on behalf of the Issuer, in accordance with the provisions of the Collateral Management Agreement: (a) the acquisition of Collateral Debt Obligations during the Reinvestment Period; (b) the sale of Collateral Debt Obligations during the Reinvestment Period (subject to certain limits) and, at any time, upon the occurrence of certain events (including a Collateral Debt Obligation becoming a Defaulted Obligation, a Credit Improved Obligation or a Credit Impaired Obligation); and (c) the participation in restructuring and work-outs of Collateral Debt Obligations on behalf of the Issuer. See “*The Portfolio*” section of this Prospectus. Any analysis by the Collateral Manager (on behalf of the Issuer) of Obligors under Collateral Debt Obligations which it is purchasing (on behalf of the Issuer) or which are held in the Portfolio from time to time will, in respect of Collateral Debt Obligations which are publicly listed bonds, be limited to a review of readily available public information and in respect of Collateral Debt Obligations which are bonds which are not publicly listed, any analysis by the Collateral Manager (on behalf of the Issuer) will be in accordance with standard review procedures for such type of bonds and, in respect of Collateral Debt Obligations which are Assignments or Participations of senior and mezzanine loans and in relation to which the Collateral Manager has non public information, such analysis will include due diligence of the kind common in relation to senior and mezzanine loans of such kind.

In addition, the Collateral Management Agreement places significant restrictions on the Collateral Manager’s ability to buy and sell Collateral Debt Obligations on behalf of the Issuer, and the Collateral Manager is required to comply with the restrictions contained in the Collateral Management Agreement. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell Collateral Debt Obligations on behalf of the Issuer or to take other actions which it might consider in the best interest of the Issuer and the Noteholders, as a result of the restrictions set forth in the Collateral Management Agreement.

Pursuant to the Collateral Management Agreement, the Collateral Manager will not be liable for any losses or damages resulting from the performance of its duties in accordance with the standard of care under the Collateral Management Agreement, except by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, wilful breach, gross negligence or reckless disregard in the performance of its obligations thereunder and provided that nothing shall relieve the Collateral Manager from contractual liability under the Collateral Management Agreement in the event that the Collateral Manager fails to perform its duties in accordance with the standard of care specified therein. Investors should note that the concept of “gross negligence” may be interpreted by an English court as implying a significantly lower required standard of care on the part of the Collateral Manager than ordinary negligence under English law. As a result, the Collateral Manager may have no liability for its actions or inactions under the Collateral Management Agreement where it would otherwise have been liable for failing to

reach the required standard of care if a mere ordinary negligence standard were applied under the Collateral Management Agreement.

The Issuer is a newly formed entity and has no operating history or performance record of its own, other than in respect of the Warehouse Arrangements. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the Collateral Manager. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by the Collateral Manager and such persons. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities.

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

The Issuer will be highly dependent on the financial and managerial experience of certain individuals associated with the Collateral Manager in analysing, selecting and managing the Collateral Debt Obligations. There can be no assurance that such key personnel currently associated with the Collateral Manager or any of its Affiliates will remain in such position throughout the life of the transaction. The loss of one or more of such individuals could have a material adverse effect on the performance of the Issuer.

In addition, the Collateral Manager may resign or be removed in certain circumstances as described herein under "*Description of the Collateral Management Agreement*".

The Collateral Manager is not required to devote all of its time to the performance of the Collateral Management Agreement and will continue to advise and manage other investment funds in the future.

#### ***No Placement Agent Role Post-Closing***

The Placement Agent takes no responsibility for, and has no obligations in respect of, the Issuer and will have no obligation to monitor the performance of the Portfolio or the actions of the Collateral Manager or the Issuer and no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral Manager and the Issuer. If the Placement Agent or its Affiliates acts as counterparty to any hedge, swap or derivative transaction entered into by the Issuer (to the extent permitted under the Trust Deed) or owns Notes, they will have no responsibility to consider the interests of any other owner of Notes with respect to actions they take or refrain from taking in such capacity.

#### ***Acquisition and Disposition of Collateral Debt Obligations***

The estimated net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) are expected to be approximately €388,000,000. Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer under the Warehouse Arrangements (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date. The remaining proceeds shall (a) be used to fund the Interest Reserve Account and (b), after application of amounts in (a), to be retained in the Unused Proceeds Account and used to purchase additional Collateral Debt Obligations during the Initial Investment Period (as defined in the Conditions). The Collateral 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, compliance with the Reinvestment Criteria and the other requirements of the Collateral Management Agreement. The failure or inability of the Collateral Manager to acquire Collateral Debt Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Debt

Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

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

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

***The Issuer could be subject to Material Net Income or Withholding Taxes in Certain Circumstances.***

The Issuer expects to conduct its affairs so that it will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes (including as a result of lending activities). As a consequence, the Issuer expects that its net income will not become subject to U.S. federal income tax. There can be no assurance, however, that the Issuer's net income will not become subject to U.S. federal income tax as a result of unanticipated activities, changes in law, contrary conclusions by the Internal Revenue Service or other causes. If the Issuer were determined to be engaged in a trade or business within the United States for U.S. federal income tax purposes, its income (computed possibly without any allowance for deductions) would be subject to U.S. federal income tax at the usual corporate rate, and possibly to a branch profits tax of 30% as well. The imposition of such taxes would materially affect the Issuer's financial ability to make payments on the Notes.

The Issuer does not generally anticipate being subject to material withholding taxes with respect to interest on Collateral Debt Obligations. There can be no assurance, however, that this or other income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In particular, the Issuer may be subject to withholding or gross income taxes in respect of commitment fees, facility fees, and other similar fees imposed by the United States or other countries. Withholding or gross income taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or gross income taxes are imposed and not paid through withholding, the Issuer may be directly liable to the relevant taxing authority to pay such taxes.

***Regulatory Risk Related to Lending***

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

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

### ***Valuation Information; Limited Information***

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

### **Certain Conflicts of Interest**

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

#### ***Collateral Manager***

Various potential and actual conflicts of interest may exist from the overall investment activities of the Collateral Manager, or its Affiliates, any director, officer or employee of such entities or any fund or account for which the Collateral Manager or its Affiliates exercises discretionary voting authority on behalf of such fund or account in respect of the Notes (collectively, “**Collateral Manager Related Persons**”) investing for their own accounts or for the accounts of others.

On the Issue Date, the Collateral Manager will be reimbursed by the Issuer for certain of its expenses incurred in connection with the offering of the Notes and the negotiation and documentation of the Transaction Documents, including the Collateral Management Agreement (including legal fees and expenses).

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes, held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates may only be held in the form of CM Non-Voting Notes or CM Non-Voting Exchangeable Notes. Accordingly, any Notes (including any Class of Rated Notes and Subordinated Notes) held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates shall have no voting rights with respect to, and shall not be counted for the purpose of determining a quorum and the results of, voting on any CM Removal Resolution or CM Replacement Resolution.

Subject to the foregoing, there will be no restriction on the ability of Collateral Manager Related Persons to purchase Notes (either upon initial issuance or through secondary transfers) and to exercise any voting rights to which such Notes are entitled (except that Notes held by the Collateral Manager, certain of its Affiliates and their respective employees shall be disregarded with respect to voting rights under certain circumstances as described in the Trust Deed and the Collateral Management Agreement). The interests of Collateral Manager Related Persons and other investors in the Notes may not be aligned and may create conflicts of interest between the Collateral Manager and other investors in the Notes. Moreover, such ownership of Notes by Collateral Manager Related Persons, the Subordinated Collateral Management Fee and the opportunity to earn an Incentive Collateral Management Fee could provide an incentive for the Collateral Manager to seek to acquire Collateral Debt Obligations on behalf of the Issuer at a lower price or to otherwise make riskier investments than would otherwise be the case.

Collateral Manager Related Persons also currently serve as and expect to serve as collateral manager or investment advisor for, act as a general partner to, or invest in or are affiliated with other entities which invest in, underwrite or originate high yield bonds and loans, including those organised to issue collateral debt obligations similar to those issued by the Issuer. In addition, Collateral Manager Related Persons may form or have a financial or operational interest in the management of one or more hedge funds or similar alternative investment vehicles which may be permitted to allocate a portion of their portfolios to high yield debt, bank loans and long-dated, illiquid, restricted or other similar securities and investment opportunities (including, without limitation, private equity investments,

mezzanine investments and distressed investments). Thus, the Collateral Manager may, at the same or approximately the same time, buy or sell for such clients debt obligations it also buys or sells for the Issuer. Collateral Manager Related Persons may invest in securities or obligations that would be appropriate as Collateral Debt Obligations and may be buyers or sellers of credit protection that reference Collateral Debt Obligations owned by the Issuer. The Collateral Manager may also purchase debt obligations for other clients that are senior to, or have interests adverse to, those it buys or sells for the Issuer. As a result, Collateral Manager Related Persons may possess information relating to issuers of Collateral Debt Obligations which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Debt Obligations.

Alternatively, the Collateral Manager may buy or sell for its clients a debt obligation that it does not buy or sell for the Issuer, even though the debt obligation is eligible to be bought or sold by the Issuer, if the Collateral Manager believes the circumstances warrant. The Collateral Manager might have an incentive to favour such other clients over the Issuer because the Collateral Manager may have a larger direct or indirect investment in such other clients, have business relationships with those clients or persons associated with them, or be paid a higher level of fees by those clients. Neither the Collateral Manager nor any of its Affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to inform the Issuer of any investments before engaging in any investments or to account to the Issuer (or share with the Issuer) with respect to any such transaction or any benefit received by them from any such transaction. Furthermore, the Collateral Manager and/or its Affiliates may make an investment on behalf of any account that any of them manage or advise without offering the investment opportunity to or making any investment on behalf of the Issuer. Affirmative obligations may exist or may arise in the future, whereby Affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such Affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. Under the Collateral Management Agreement, unless the Collateral Manager determines that a purchase or sale is appropriate, the Collateral Manager may refrain from causing the Issuer to purchase or sell securities issued by persons about which any Collateral Manager Related Persons has information which the Collateral Manager deems confidential or non-public or otherwise might prohibit it from advising as to the trading of such securities in accordance with applicable law.

The Collateral Manager may cause the Issuer to buy or sell one or more Collateral Debt Obligations, in one or more transactions, with the Collateral Manager, its Affiliates and/or other Collateral Manager Related Persons. In addition, the Collateral Manager, acting as principal for its own account or for the account of an Affiliate, may effect other transactions between itself or an Affiliate and the Issuer. Such transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

The Collateral Manager will act as the originator for the majority of the Collateral Debt Obligations that will comprise the Portfolio as at the Issue Date. The Collateral Manager, acting in such capacity, will continue after the Issue Date to purchase loans and other debt obligations on the primary and secondary market and sell such assets to the Issuer. See “*The Retention Holder and Retention Requirements*” below. Accordingly, the Collateral Manager, acting in its capacity as the Retention Holder, will subscribe for on the Issue Date and, hold, from the Issue Date, on an on-going basis, not less than 5 per cent. of the nominal value of each Class of Notes on the Issue Date. The Retention Holder and other Collateral Manager Related Persons may purchase Subordinated Notes and/or Rated Notes on or after the Issue Date. It is anticipated that the Collateral Manager in its capacity as Retention Holder may enter into financing arrangements with one or more third parties (the “**Retention Financier**”) in respect of the Retention Notes, provided such financing is permissible under the Retention Requirements. Such financing is expected to be a full-recourse obligation of the Retention Holder and may involve the grant of a security interest by the Retention Holder over the Retention Notes in favour of the Retention Financier. In the case of a default by the Collateral Manager, the security interest over the Retention Notes may result in the Retention Financier having enforcement rights and remedies, such as the right to appropriate or sell the Retention Notes which may result in the Retention Requirements ceasing to be fulfilled. In enforcing any such rights and remedies the Retention Financier may have interests that are different from those of Noteholders. Noteholders should also be aware that any incurrence of debt by the Retention Holder, including that used to finance the acquisition of the Retention Notes, could potentially lead to an increased risk of the Collateral Manager becoming insolvent and therefore



unable to fulfil its obligations as both Retention Holder and Collateral Manager (see “*Risk Retention in Europe*” generally).

No provision in the Collateral Management Agreement prevents the Collateral Manager or any of its Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Debt Obligations and their respective Affiliates, the Trustee, the holders of the Notes, the Liquidity Facility Provider and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager, its Affiliates and the directors, officers, employees and agents of the Collateral Manager and its Affiliates may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Debt Obligations; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Debt Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Debt Obligations; (e) sell or terminate any Collateral Debt Obligations or Eligible Investments to, or purchase or enter into any Collateral Debt Obligations from, the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any “creditors’ board” with respect to any obligation included in the Collateral Debt Obligations which has become or may become a Defaulted Obligation. Services of this kind may lead to conflicts of interest with the Collateral Manager, and may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer. The Collateral Manager may from time to time rely on the brokerage, trading, settlement and other capital markets capabilities of its Affiliates in performing its duties under the Collateral Management Agreement.

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

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

The Collateral Manager does not owe fiduciary duties to the Issuer, the Noteholders or any other Secured Party.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement, the staff of the Collateral Manager may have conflicts in allocating its time and services among the Issuer and the Collateral Manager’s other accounts. The Collateral Manager may, in its sole discretion, aggregate orders for its accounts under management. Depending on market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client.

The Collateral Manager may have discussions with investors from time to time. The views expressed in such discussions may influence the composition of the portfolio, and there can be no assurance that (i) a holder would agree with any views expressed by other investors in such discussions, (ii) the views expressed by some investors will not be more influential than those of others, or (iii) modifications made to the portfolio as a result of such discussions will not adversely affect the performance of a holder’s Notes. The Collateral Manager will have sole authority to select, and sole responsibility for selecting, the Collateral Debt Obligations.

### ***Rating Agencies***

Moody’s 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.

### ***Conflicts of interest Involving or Relating to the Placement Agent and its Affiliates***

Goldman Sachs International and its Affiliates (the “**Goldman Sachs Parties**”) have acted as the structurer of the transaction and Placement Agent and other roles, as described below.

The Goldman Sachs Parties have formulated and developed the Portfolio Profile Tests, Coverage Tests, Collateral Quality Tests, the Interest Diversion Test, Priorities of Payments, the Eligibility Criteria and other criteria in and provisions of the Trust Deed, Collateral Management Agreement and the Retention Letter. These may be influenced by discussions that the Placement Agent may have or have had with investors and there is no assurance that investors would agree with the views of one another or that the resulting modifications will not adversely affect the performance of the Notes or any particular Class of Notes.

Under the Warehouse Arrangements, the Goldman Sachs Parties will provide, prior to the Issue Date financing, to the Issuer to allow its acquisition of Warehoused Assets (provided that the Goldman Sachs Parties approve the purchase of any such Warehoused Asset). The approval by Goldman Sachs Parties of the purchase of a Warehoused Asset will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. See “*Acquisition of Collateral Debt Obligations prior to the Issue Date*”. If the Goldman Sachs Parties do not approve the purchase of a Warehoused Asset, the Issuer may be restricted from purchasing that asset for a certain period, which may result in the Issuer paying a higher price.

The Issuer, at the direction of the Collateral Manager, will purchase and enter into, binding commitments to purchase Warehoused Assets during the Warehouse Period at the prevailing prices at the time of the execution of such trades and in market circumstances applicable at that time. The Issuer has entered into the Warehouse Arrangements with the Goldman Sachs Parties with respect to such purchases under which Goldman Sachs Parties will provide financing to the Issuer to allow its acquisition of Warehoused Assets (provided that the Goldman Sachs Parties do not object to the purchase of any such Warehoused Asset). The objection (or failure to object) by Goldman Sachs Parties to the purchase of a Warehoused Asset will be in its capacity as the financing party and should not be viewed as a determination by Goldman Sachs as to whether a particular asset is an appropriate investment by the Issuer or whether it will satisfy the portfolio criteria applicable to the Issuer. See “*Acquisition of Collateral Debt Obligations prior to the Issue Date*”. If the Goldman Sachs Parties object to the purchase of a Warehoused Asset, they may be restricted from selling that asset to the Issuer for a certain period, which may result in the Issuer paying a higher price. The interests of the Goldman Sachs Parties in respect of transactions involving the Warehoused Assets do not necessarily align with, and may in fact be directly contrary to, those of investors in the Notes. In the event the Issue Date does not occur, the Goldman Sachs Parties will bear the risk of any loss with respect to any Warehoused Assets. Assuming the Issue Date does occur, any realised and unrealised losses (and gains) will be for the account of the Issuer.

In addition, the Goldman Sachs Parties have, prior to the Issue Date, arranged and may, following the Issue Date, arrange, financing on behalf of the Retention Holder for some or all of the amounts required for the purchase of the Retention Notes pursuant to the Retention Letter. One or more Goldman Sachs Parties may derive fees and other revenues from the arrangement of such financing. In addition, participating in such arrangements and providing any other related services to clients may enhance one or more of the Goldman Sachs Parties relationships with various parties, facilitate additional business development, and enable it to obtain additional business and to generate additional revenue.

Goldman Sachs International will not have any obligation to monitor the performance of Collateral Debt Obligations or the actions of the Collateral Manager or the Issuer. Goldman Sachs International will not have any authority to advise the Collateral Manager or the Issuer or direct their actions, which will be solely the responsibility of the Collateral Manager.

The Issuer may invest in money market funds that are Eligible Investments managed by one or more of the Goldman Sachs Parties.

The Placement Agent will purchase the Notes from the Issuer on the Issue Date and resell them in individually negotiated transactions at varying prices, which may result in a loss or profit to the Placement Agent in respect of those Notes. The Placement Agent may assist clients and counterparties in transactions related to the Notes (including assisting clients in future purchases and sales of the Notes and hedging transactions). The Placement Agent expects to earn fees and other revenues from these transactions.

The activities and interests of the Goldman Sachs Parties its clients and respective officers, members and employees (collectively “**Goldman Sachs**”) will not necessarily align with, and may in fact be directly contrary to, those of the interests in the Notes.

The Goldman Sachs Parties may retain a certain proportion of the Notes in their portfolios with an intention to hold and subsequently trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market.

The Goldman Sachs Parties are part of a global banking, investment banking and securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. As such, they actively make markets in and trade financial instruments for their own account and for the accounts of customers in the ordinary course of their business. The Goldman Sachs Parties may have positions in and will likely have placed or underwritten certain of the Collateral Debt Obligations (or other obligations of the obligors of Collateral Debt Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Debt Obligations. In addition, the Goldman Sachs Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Debt Obligations. Each of the Goldman Sachs Parties will act in its own commercial interest in its various capacities without regard to whether its interests conflict with those of the holders of the Notes or any other party. Moreover, the Issuer may invest in loans of obligors affiliated with the Goldman Sachs Parties or in which one or more Goldman Sachs Parties hold an equity or participation interest. The purchase, holding or sale of such Collateral Debt Obligations by the Issuer may increase the profitability of one or Goldman Sachs Party’s own investments in such obligors.

From time to time the Collateral Manager will purchase from or sell Collateral Debt Obligations through or to the Goldman Sachs Parties and one or more Goldman Sachs Parties may act as the selling institution with respect to Participations and/or a counterparty under a Hedge Agreement. The Goldman Sachs Parties may act as placement agent and/or Placement Agent or collateral manager in other transactions involving issues of collateralised debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer and/or on the price of the Notes. In particular, one or more of the Goldman Sachs Parties is currently acting as sponsor, global co-ordinator and bookrunner in respect of a placing of shares in CVC Credit Partners European Opportunities Limited to which the Sub-Manager acts as investment manager.

The Placement Agent or its Affiliates may have placed or underwritten certain of the Collateral Debt Obligations when such Collateral Debt Obligations were originally issued and may have provided or be providing investment banking services and other services to issuers of certain Collateral Debt Obligations. It is expected that from time to time the Collateral Manager may purchase or sell Collateral Debt Obligations through, from or to the Placement Agent or its Affiliates, subject to such procedures and restrictions as are appropriate to comply with applicable law with respect to transactions in which an Affiliate of the Collateral Manager is acting as principal.

The Goldman Sachs Parties activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. These activities may also include buying or selling credit protection in respect of the Notes, assisting purchasers of the Collateral Debt Obligation to hedge their investments; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the Collateral Debt Obligation, and/or hedging any exposure of a Goldman Sachs Parties to the Notes on the Issue Date or any time in the future. The securities and instruments in which any Goldman Sachs Parties takes positions,

or expect to take positions may include the Notes, the Collateral Debt Obligations, or similar securities or products. Market making is an activity where Goldman Sachs International buys and sells on behalf of customers, or for their own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. Any Goldman Sachs Party may also act as a Hedge Counterparty on Hedge Agreements. As a result, Noteholders should expect that one or more of the Goldman Sachs Parties will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the Notes.

As a result of Goldman Sachs various financial market activities, including acting as a research provider, investment advisor, market maker or principal investor, Noteholders should expect that personnel in various businesses throughout Goldman Sachs will have and express research or investment views and make recommendations that are inconsistent with, or adverse to, the objectives of investors in the Notes.

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

Furthermore, Goldman Sachs expects that a completed offering will enhance its ability to assist clients and counterparties in transactions related to the Notes and in similar transactions (including assisting clients in additional purchases and sales of the Notes and hedging transactions). Goldman Sachs International expects to derive fees and other revenues from these transactions. In addition, participating in a successful offering and providing related services to clients may enhance Goldman Sachs International's relationships with various parties, facilitate additional business development, and enable it to obtain additional business and to generate additional revenue.

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

### **Investment Company Act**

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

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

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

The Trust Deed provides that if, notwithstanding the restrictions on transfer contained therein, the Issuer at any time determines that any holder of an interest in a Rule 144A Note (1) is a U.S. Person and (2) is not a QIB/QP (any such person, a “**Non-Permitted Holder**”), the Issuer shall, promptly after determination that such person is a Non-Permitted Holder by the Issuer or a Transfer Agent (and notice by such Transfer Agent to the Issuer if the Transfer Agent makes the determination), send notice to such Non-Permitted Holder demanding that such Non-Permitted Holder transfer its interest outside the United States to a non-U.S. Person or to a person that is not a Non-Permitted Holder within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer required within such 30 day period, (a) upon direction from the Issuer or the Collateral 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 to a person or entity that certifies to such Transfer Agent and the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the “**Conditions**”) which (subject to amendment and completion) will be endorsed or attached on each Global Certificate and each Note in definitive form (if applicable) and (subject to the provisions thereof) will apply to each such Note.

The issue of €225,400,000 Class A Senior Secured Floating Rate Notes due 2028 (the “**Class A Notes**”), the €22,600,000 Class B-1 Senior Secured Floating Rate Notes due 2028 (the “**Class B-1 Notes**”), the €24,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2028 (the “**Class B-2 Notes**” and together with the Class B-1 Notes, the “**Class B Notes**”), the €24,900,000 Class C Senior Secured Deferrable Floating Rate Notes due 2028 (the “**Class C Notes**”), the €18,600,000 Class D Senior Secured Deferrable Floating Rate Notes due 2028 (the “**Class D Notes**”), the €27,600,000 Class E Senior Secured Deferrable Floating Rate Notes due 2028 (the “**Class E Notes**”), the €12,900,000 Class F Senior Secured Deferrable Floating Rate Notes due 2028 (the “**Class F Notes**” and together with Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the “**Rated Notes**”) and €44,000,000 Subordinated Notes due 2028 (the “**Subordinated Notes**” and together with the Rated Notes, the “**Notes**”) of CVC Cordatus Loan Fund IV Limited (the “**Issuer**”) was authorised by resolution of the board of directors of the Issuer dated on or about 9 December 2014. The Notes are constituted and secured by a trust deed (together with any other security document entered into in respect of the Notes (including the Euroclear Security Agreement), the “**Trust Deed**”) to be dated on or about 17 December 2014 between (amongst others) the Issuer and BNY Mellon Corporate Trustee Services Limited in its capacity as trustee for the Noteholders and as security trustee for the Secured Parties (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed).

These terms and conditions of the Notes (the “**Conditions of the Notes**” or the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency agreement to be dated on or about 17 December 2014 (the “**Agency Agreement**”) between, amongst others, the Issuer, The Bank of New York Mellon (Luxembourg) S.A., as registrar (the “**Registrar**”, which term shall include any successor or substitute registrar appointed pursuant to the terms of the Agency Agreement) and as transfer agent (the “**Transfer Agent**” which term shall include any successor or substitute transfer agent, and together with the Registrar, the “**Transfer Agents**”, each a “**Transfer Agent**”), The Bank of New York Mellon as principal paying agent, account bank, calculation agent and custodian (respectively, “**Principal Paying Agent**”, “**Account Bank**”, “**Calculation Agent**” and “**Custodian**” which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency Agreement), CVC Credit Partners Group Limited in its capacity as sub-registrar (the “**Sub-Registrar**” which term shall include any successor or substitute sub-registrar appointed pursuant to the terms of the Agency Agreement) and the Trustee; (b) a collateral management agreement to be dated on or about 17 December 2014 (the “**Collateral Management Agreement**”) between CVC Credit Partners Group Limited, as collateral manager in respect of the Portfolio (the “**Collateral Manager**”, which term shall include any successor collateral manager appointed pursuant to the terms of the Collateral Management Agreement), the Issuer, The Bank of New York Mellon SA/NV, Dublin Branch as collateral administrator (the “**Collateral Administrator**”) and The Bank of New York Mellon SA/NV, Dublin Branch as information agent (the “**Information Agent**”) which terms shall include, as applicable, any successor collateral administrator and information agent appointed pursuant to the terms of the Collateral Management Agreement) and the Trustee; (c) a corporate services agreement between the Issuer and Deutsche International Corporate Services (Ireland) Limited as corporate services provider dated 17 July 2014 (the “**Corporate Services Agreement**”); (d) a note placement agreement dated on or about 16 December 2014 (the “**Placement Agreement**”) between the Issuer and Goldman Sachs International as placement agent; (e) a liquidity facility agreement dated on or about the Issue Date (the “**Liquidity Facility Agreement**”) between the Issuer, the Trustee, the Collateral Administrator and The Bank of New York Mellon, as the Liquidity Facility Provider; (f) a Collateral Sub-Management Agreement dated on or about the Issue Date (the “**Collateral Sub-Management Agreement**”) between the Issuer, Collateral Manager and CVC Credit Partners Investment Management Limited as sub-manager (the “**Sub-Manager**”); (g) a Master Definitions Agreement (the “**Master Definitions Agreement**” dated on or about the Issue Date between the Issuer, the Trustee, the Principal Paying Agent, The Bank of New

York Mellon as Custodian, the Calculation Agent, the Account Bank, the Collateral Administrator, the Liquidity Facility Provider, the Registrar, the Transfer Agent, the Information Agent, the Collateral Manager and the Sub-Registrar; and (h) an interim account bank agreement dated on or about the Issue Date (the “**Interim Account Bank Agreement**”) between the Issuer, the Trustee, Deutsche Bank AG, London Branch as interim account bank (in such capacity, the “**Interim Account Bank**”, which term shall include any successor or substitute interim account bank appointed pursuant to the terms of the Interim Account Bank Agreement) and the Collateral Administrator. Copies of the Trust Deed, the Agency Agreement, the Collateral Management Agreement, the Liquidity Facility Agreement, the Collateral Sub-Management Agreement, the Master Definitions Agreement and the Interim Account Bank Agreement are available for inspection during usual business hours at the principal office of the Issuer (presently at 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland) and at the specified offices of the Transfer Agents 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, the Collateral Management Agreement and the Liquidity Facility Agreement applicable to them.

## 1. Definitions

“**Acceleration Notice**” has the meaning given to it in Condition 10(b).

“**Accounts**” means the Principal Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Collateral Enhancement Account, each Counterparty Downgrade Collateral Account, the Contributions Account, the Custody Account, each Hedge Termination Account, each Non-Euro Hedge Account, the Unfunded Revolver Reserve Account, the Collection Account, the Interest Reserve Account and the Prefunded Commitment Account.

“**Accrual Period**” means, in respect of each Class of Notes, the period from and including the Issue Date (or in the case of a Class that is subject to Refinancing, the Business Day upon which the Refinancing occurs) to, but excluding, the first Payment Date (or in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date or if earlier, the Business Day upon which the relevant Class is subject to a Refinancing.

“**Accrued Collateral Debt Obligation Interest**” means, in respect of any Payment Date, an amount which is equal to:

- (A) for so long as any Notes are rated by Fitch, in respect of any proposed Initial Drawdowns the proceeds of which are to be applied in or towards payment of:
  - (1) items (A) through (W) (but excluding (E)) of the Interest Proceeds Priority of Payments, the aggregate of all accrued unpaid interest under the Collateral Debt Obligations; and
  - (2) items (X) through (DD) of the Interest Proceeds Priority of Payments, the greater of zero and the sum of:
    - (a) an amount equal to the aggregate of all accrued and unpaid interest under the Collateral Debt Obligations; *minus*
    - (b) an amount equal to the amount of the portion of proposed Initial Drawdown or Subsequent Drawdown to be utilised in the payment of items (A) through (W) (but excluding (E)) of the Interest Proceeds Priority of Payments on such Payment Date; *minus*
    - (c) an amount equal to the aggregate of all accrued unpaid interest under any Collateral Debt Obligations with a Fitch Rating of less than “B-”; and

- (B) in all other cases, the aggregate of all accrued unpaid interest under the Collateral Debt Obligations,

(excluding capitalised interest in respect of PIK Obligations, Purchased Accrued Interest, interest on any Defaulted Obligations and unpaid interest under Mezzanine Obligations deferred in accordance with the terms of such Mezzanine Obligations), which is not payable to the Issuer on or prior to the Determination Date in respect of such Payment Date by the Obligor under the relevant Collateral Debt Obligations.

**“Adjusted Aggregate Collateral Balance”** means, as of any date of determination:

- (i) the Aggregate Principal Balance of the Collateral Debt Obligations (other than Defaulted Obligations, Discount Obligations and Deferring Securities); *plus*
- (ii) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*
- (iii) in relation to a Deferring Security or a Defaulted Obligation the lesser of (x) its Moody’s Collateral Value and (y) its Fitch Collateral Value; provided that, in the case of a Defaulted Obligation, the value determined under this paragraph (iii) of a Defaulted Obligation that has been a Defaulted Obligation for more than three years after the date on which it became a Defaulted Obligation and continues to be a Defaulted Obligation on such date shall be zero; *plus*
- (iv) the aggregate, for each Discount Obligation, of the product of the (x) purchase price (expressed as a percentage of par and excluding accrued interest) and (y) Principal Balance of such Discount Obligation; *minus*
- (v) the Excess CCC/Caa Adjustment Amount;

*provided that:*

- (A) with respect to any Collateral Debt Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation, Deferring Security and/or that falls into the Excess CCC/Caa Adjustment Amount, such Collateral 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 Adjusted Aggregate Collateral Balance on any date of determination; and
- (B) in respect of paragraph (ii) above, any non-Euro amounts received will be converted into Euro (x) in the case of each Non-Euro Obligation which is subject to an Asset Swap Transaction, at the Applicable Exchange Rate for the related Hedge Transaction and (y) in the case of each Non-Euro Obligation which is not subject to an Asset Swap Transaction, at the Spot Rate.

**“Administrative Expenses”** means amounts due and payable by the Issuer in the following order of priority including, except as expressly set out otherwise below, any value added tax thereon (whether payable to that party or the relevant tax authority):

- (i) on a pro-rata basis and pari passu basis, to (i) the Agents (other than the Sub-Registrar and each Reporting Delegate) pursuant to the Agency Agreement, in the case of the Information Agent and Collateral Administrator, the Collateral Management Agreement (including, by way of indemnity); (ii) the Corporate Services Provider pursuant to the Corporate Services Agreement and (iii) the Interim Account Bank pursuant to the Interim Account Bank Agreement;
- (ii) each Reporting Delegate pursuant to any Reporting Delegation Agreement (including by way of indemnity);



- (iii) to the Sub-Registrar pursuant to the Agency Agreement;
- (iv) on a pro-rata and pari passu basis:
  - (A) 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;
  - (B) to the independent certified public auditors, agents and counsel of the Issuer;
  - (C) to the Collateral Manager pursuant to the Collateral Management Agreement (including indemnities provided for therein), but excluding any Collateral Management Fees or any value added tax payable thereon and excluding any amounts in respect of Collateral Manager Advances;
  - (D) to any other Person in respect of any governmental fee or charge (for the avoidance of doubt excluding any taxes) or any statutory indemnity;
  - (E) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;
  - (F) on a pro rata basis to any other Person in respect of any other fees or expenses contemplated in the Conditions of the Notes and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes (other than the Liquidity Facility Provider), including, without limitation, an amount up to €25,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;
  - (G) to the payment on a pro rata basis of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Debt Obligation, including but not limited to a steering committee relating thereto;
  - (H) on a pro rata basis to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation (excluding, for avoidance of doubt, any payments on account of any Unfunded Amounts);
  - (I) to the Arranger pursuant to Placement Agreement (including indemnities provided for therein);
  - (J) to the Placement Agent pursuant to Placement Agreement (including indemnities provided for therein);
  - (K) any reasonably anticipated winding up costs of the Issuer; and
  - (L) to the Liquidity Facility Provider other than for those amounts payable pursuant to Clause 7 (*Repayment*), Clause 9 (*Interest*) and Clause 18 (*Fees*) of the Liquidity Facility Agreement;
- (v) on a pro rata and pari passu basis:
  - (A) on a pro rata basis to any other Person (including the Collateral Manager) in connection with satisfying the requirements of Rule 17g-5, EMIR, CRA, AIFMD or the Dodd-Frank Act;

- (B) on a pro rata basis to any other Person (including the Collateral Manager) in connection with satisfying the Retention Requirements and the requirements of Solvency II including any costs or fees related to additional due diligence or reporting requirements;
  - (C) FATCA Compliance Costs; and
  - (D) reasonable fees, costs and expenses of the Issuer and the Collateral Manager including reasonable attorney's fees of compliance by the Issuer and the Collateral Manager with the United States Commodity Exchange Act of 1936, as amended (including rules and regulations promulgated thereunder) and fees related to the administration of the Portfolio including administrators and trustees;
- (vi) any Refinancing Costs; and
- (vii) on a pro rata basis payment of any indemnities (to the extent not already covered in paragraphs (i) to (vi) above) payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that

(x) the Collateral Manager may direct the payment of any Rating Agency fees set out in (iv)(A) above other than in the order required by paragraph (iv) above if the Collateral 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 Collateral Manager may, in its reasonable judgement, determine a payment other than in the order required by paragraph (iv) above is required to ensure the delivery of certain accounting services and reports.

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

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

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

For the avoidance of doubt, **"Affiliate"** or **"Affiliated"** in relation to the Issuer, the Collateral Manager and the Sub-Manager shall not include portfolio companies in which funds managed or advised by Affiliates of the Collateral Manager or the Sub-Manager hold an interest.

**"Agent"** means each of the Registrar, the Sub-Registrar the Principal Paying Agent, each Transfer Agent, each Paying Agent, the Calculation Agent, the Account Bank, the Collateral Administrator, the Information Agent, each Reporting Delegate and the Custodian and each of their permitted successors or assigns appointed as agents of the Issuer pursuant to the Agency Agreement, any Reporting Delegation Agreement or the Collateral Management Agreement, as the case may be, 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:

- (i) the Aggregate Principal Balance of all Collateral Debt Obligations, save that for the purpose of calculating the Aggregate Principal Balance for the purposes of:
  - (A) the Portfolio Profile Tests, the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value,
  - (B) the Collateral Quality Tests, the Principal Balance of each Defaulted Obligation shall be excluded;
  - (C) 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 multiplied by its Market Value; and
- (ii) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds (excluding, for the avoidance of doubt, any interest accrued on Eligible Investments).

**“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 such portion of the Principal Balances of such Collateral Debt Obligations, in each case, as at the date of determination.

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

**“AIFMD Retention Requirements”** means Article 17 of the AIFMD, as implemented by Section 5 of the European Union Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, including any guidance published in relation thereto and any implementing laws or regulations in force in any Member State of the European Union, provide that references to 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 Delegated Regulation (EU) No 231/2013.

**“Annual Obligations”** means Collateral Debt Obligations which in accordance with their terms, at the relevant date of measurement, pay interest less frequently than semi-annually (other than, for the purposes of the Portfolio Profile Tests only, PIK Obligations).

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

**“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 in accordance with the terms of the Trust Deed to discharge any of its functions or to advise in relation thereto.

**“Asset Swap Agreement”** means a 1992 ISDA Master Agreement (Multicurrency-Cross-Border) or a 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time), together with the schedule and confirmations relating thereto including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof, each as amended or supplemented from time to time, and entered into by the Issuer with an Asset Swap Counterparty which shall govern one or more Asset Swap Transactions entered into by the Issuer and such Asset Swap Counterparty (including any Replacement Asset Swap Transaction) under which the Issuer swaps cash flows receivable on such Asset Swap Obligations for Euro denominated cash flows from each Asset Swap Counterparty.

**“Asset Swap Counterparty”** means any financial institution with which the Issuer enters into an Asset Swap Transaction, or any permitted assignee or successor thereof, under the terms of the related Asset Swap Transaction and, in each case, which satisfies, at the time of entry into the Asset Swap Transaction, the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement).

**“Asset Swap Counterparty Principal Exchange Amount”** means each initial, interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid by the Asset Swap Counterparty to the Issuer under 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 Issuer Principal Exchange Amount”** means each initial, interim and final exchange amount (whether expressed as such or otherwise) scheduled to be paid to the Asset Swap Counterparty by the Issuer under 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 any Collateral Debt Obligation which is denominated in a Qualifying Currency other than Euro and which (i) is, or will no later than the settlement date thereof, become the subject of an Asset Swap Transaction or (ii) (a) is denominated in a Qualifying Unhedged Obligation Currency, (b) is acquired in the Primary Market, (c) was previously an Unhedged Collateral Debt Obligation and (d) is subject to an Asset Swap Transaction (entered into not later than 90 calendar days of the settlement thereof).

**“Asset Swap Replacement Payment”** means any amount payable by the Issuer to a replacement Asset Swap Counterparty upon entry into a Replacement Asset Swap Transaction which is replacing an Asset Swap Transaction which was terminated.

**“Asset Swap Replacement Receipt”** means any amount payable to the Issuer by a replacement Asset Swap Counterparty upon entry into a Replacement Asset Swap Transaction which is replacing an Asset Swap Transaction which was terminated.

**“Asset Swap Termination Payment”** means the amount payable to an Asset Swap Counterparty by the Issuer upon termination or modification of an Asset Swap Transaction excluding, for purposes other than payment by the Issuer, any due and unpaid scheduled amounts payable thereunder and any Asset Swap Issuer Principal Exchange Amounts.

**“Asset Swap Termination Receipt”** means the amount payable by an Asset Swap Counterparty to the Issuer upon termination or modification of an Asset Swap Transaction excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid scheduled amounts payable thereunder and any Asset Swap Counterparty Principal Exchange Amounts.

**“Asset Swap Transaction”** means each asset swap transaction entered into under an Asset Swap Agreement.

**“Assignment”** means an interest in a loan that is acquired directly by way of novation or assignment.

**“Authorised Denomination”** means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to a multiple of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

**“Authorised Integral Amount”** means for each Class of Notes, €1,000.

**“Authorised Officer”** means with respect to the Issuer, any director of the Issuer or other person as notified in writing by or on behalf of the Issuer to the Trustee who is authorised to act for the Issuer in matters relating to, and binding upon, the Issuer.

**“Available Commitment”** means at any time the maximum amount allowed to be drawn by the Issuer on a Drawdown Date pursuant to the terms of the Liquidity Facility Agreement.

**“Balance”** means on any date, with respect to any cash or Eligible Investments standing to the credit of an Account (or any subaccount thereof), the aggregate of the:

- (i) current balance of cash, demand deposits, time deposits, certificates of deposits, government guaranteed funds and other investment funds;
- (ii) outstanding principal amount of interest bearing corporate and government obligations and money market accounts and repurchase obligations; and
- (iii) 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 (x) to the extent that the Hedge Agreement Eligibility Criteria has been satisfied and an Asset Swap Agreement is in place, amounts standing to the credit of the Non-Euro Hedge Account shall be converted into Euro at the Applicable Exchange Rate, (y) to the extent that no Asset Swap Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate and (z) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its Moody’s Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Debt Obligation).

**“Benefit Plan Investor”** means:

- (i) 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;
- (ii) a plan to which Section 4975 of the Code applies; or
- (iii) any entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity, but only to the extent of the percentage of the equity interests in such entity that are held by Benefit Plan Investors.

**“Bivariate Risk Table”** has the meaning given to it in the Collateral Management Agreement.

**“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; and (iii) prior to its purchase by the Issuer, has a Moody’s Rating and a Fitch Rating.

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

- (i) on which TARGET2 is open for settlement of payments in Euro;
- (ii) on which commercial banks and foreign exchange markets settle payments in London and New York (other than a Saturday or a Sunday); and
- (iii) 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/Caa Excess”** means an amount equal to the greater of:

- (i) the excess of the aggregate Principal Balance of all Moody’s Caa Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Moody’s Collateral Value); and
- (ii) the excess of the aggregate Principal Balance of all Fitch CCC Obligations over an amount equal to 7.5 per cent. of the Aggregate Collateral Balance (for which purposes, the Principal Balance of each Defaulted Obligation shall be its Fitch Collateral Value),

in each case as determined as at such date of determination, provided that:

- (A) in determining which of the Moody’s Caa Obligations shall be included under part (i) above, the Moody’s Caa Obligations with the lowest Market Value (expressed as a percentage of the Principal Balance of such Collateral Debt Obligations as of the relevant date of determination) shall be deemed to constitute the excess of the aggregate Principal Balance of all Moody’s Caa Obligations; and
- (B) in determining which of the Fitch CCC Obligations shall be included under part (ii) above, the Fitch CCC Obligations with the lowest Market Value (expressed as a percentage of the Principal Balance of such Collateral Debt Obligations as of the relevant date of determination) shall be deemed to constitute the excess of the aggregate Principal Balance of all Fitch CCC Obligations.

**“CFTC”** means the Commodity Futures Trading Commission and any replacement or successor thereto.

**“Class of Notes”** means each of the Classes of Notes being:

- (i) the Class A Notes;
- (ii) the Class B-1 Notes;
- (iii) the Class B-2 Notes;
- (iv) the Class C Notes;
- (v) the Class D Notes;
- (vi) the Class E Notes;
- (vii) the Class F Notes; and
- (viii) the Subordinated Notes,

and **“Class of Noteholders”** and **“Class”** shall be construed accordingly, provided that, notwithstanding that:

- (i) the CM Voting Notes, CM Non-Voting Exchangeable and the CM Non-Voting Notes of a single Class are in the same Class, they shall not be treated as a single Class in respect of any consent, direction, objection, approval, vote or determination of quorum under the Trust Deed in connection with any CM Removal Resolution or CM Replacement Resolution and, instead, the CM Voting Notes shall be treated as the relevant Class solely for such purpose; and
- (ii) the Class B-1 Notes and the Class B-2 Notes are separate Classes, they shall be treated as a single Class (subject to (i) above) for the purposes of any consent, direction, objection, approval, vote or determination of quorum under the Trust Deed, except as expressly provided in the Trust Deed, with each holder of Class B-1 Notes and Class B-2 Notes voting based on the aggregate Principal Amount Outstanding of Class B Notes held by such holder.

**“Class A CM Non-Voting Exchangeable Notes”** means the Class A Notes in the form of CM Non-Voting Exchangeable Notes.

**“Class A CM Non-Voting Notes”** means the Class A Notes in the form of CM Non-Voting Notes.

**“Class A CM Voting Notes”** means the Class A Notes in the form of CM Voting Notes.

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

**“Class A/B Coverage Tests”** means the Class A/B Interest Coverage Test and the Class A/B Par Value Test.

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

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

**“Class A/B Par Value Ratio”** means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Aggregate Collateral Balance by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes and the Class B Notes.

**“Class A/B Par Value Test”** means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class A/B Par Value Ratio is at least equal to 133.9 per cent.

**“Class B Noteholders”** means the holders of any Class B Notes from time to time.

**“Class B-1 CM Non-Voting Exchangeable Notes”** means the Class B-1 Notes in the form of CM Non-Voting Exchangeable Notes.

**“Class B-1 CM Non-Voting Notes”** means the Class B-1 Notes in the form of CM Non-Voting Notes.

**“Class B-1 CM Voting Notes”** means the Class B-1 Notes in the form of CM Voting Notes.

**“Class B-2 CM Non-Voting Exchangeable Notes”** means the Class B-2 Notes in the form of CM Non-Voting Exchangeable Notes.

**“Class B-2 CM Non-Voting Notes”** means the Class B-2 Notes in the form of CM Non-Voting Notes.

**“Class B-2 CM Voting Notes”** means the Class B-2 Notes in the form of CM Voting Notes.

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

**“Class C Interest Coverage Ratio”** means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the sum of the scheduled Interest Amounts due on the Class A Notes, the Class B Notes and the Class C Notes (excluding Deferred Interest but including any interest on Deferred Interest). For the purposes of calculating the Class C Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the

extent applicable) and the expected Interest Amounts payable on the Class A Notes, the Class B Notes and the Class C Notes will be calculated using the then current interest rates applicable thereto as at the relevant Measurement Date.

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

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

**“Class C Par Value Ratio”** means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Aggregate Collateral Balance by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes and the Class C Notes.

**“Class C Par Value Test”** means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class C Par Value Ratio is at least equal to 123.9 per cent.

**“Class C CM Non-Voting Exchangeable Notes”** means the Class C Notes in the form of CM Non-Voting Exchangeable Notes.

**“Class C CM Non-Voting Notes”** means the Class C Notes in the form of CM Non-Voting Notes.

**“Class C CM Voting Notes”** means the Class C Notes in the form of CM Voting Notes.

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

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

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

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

**“Class D Par Value Ratio”** means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Aggregate Collateral Balance by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes.

**“Class D Par Value Test”** means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class D Par Value Ratio is at least equal to 118.2 per cent.

**“Class D CM Non-Voting Exchangeable Notes”** means the Class D Notes in the form of CM Non-Voting Exchangeable Notes.



**“Class D CM Non-Voting Notes”** means the Class D Notes in the form of CM Non-Voting Notes.

**“Class D CM Voting Notes”** means the Class D Notes in the form of CM Voting Notes.

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

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

**“Class E Interest Coverage Test”** means the test which will apply as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date and which will be satisfied on such Measurement Date if the Class E Interest Coverage Ratio is at least equal to 102.0 per cent.

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

**“Class E Par Value Ratio”** means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Aggregate Collateral Balance by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**“Class E Par Value Test”** means the test which will apply as of any Measurement Date on and after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 109.3 per cent.

**“Class F Par Value Ratio”** means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Aggregate Collateral Balance by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

**“Clearing System Business Day”** means a day on which Euroclear and Clearstream Luxembourg are open for business.

**“Clearstream, Luxembourg”** means Clearstream Banking, *société anonyme*.

**“CM Non-Voting Exchangeable Notes”** means Notes which:

- (i) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be so counted; and
- (ii) are exchangeable into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor.

**“CM Non-Voting Notes”** means Notes which:

- (i) do not carry a right to vote in respect of or be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution but which do carry a right to vote on and be so counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be so counted; and

(ii) are not exchangeable into CM Voting Notes or CM Non-Voting Exchangeable Notes at any time.

**“CM Voting Notes”** means Notes which carry a right to vote, in respect of and be counted for the purposes of determining a quorum and the result of voting on a CM Removal Resolution or a CM Replacement Resolution and all other matters as to which Noteholders are entitled to vote.

**“CM Removal Resolution”** means any Resolution, vote, written direction or consent of the Noteholders in relation to the removal of the Collateral Manager in accordance with the Collateral Management Agreement following the occurrence of a Collateral Manager Event of Default (other than pursuant to paragraph (vii) of the definition thereof).

**“CM Replacement Resolution”** means any Resolution, vote, written direction or consent of the Noteholders in relation to the appointment of a successor Collateral Manager or any assignment or delegation by the Collateral Manager of its rights or obligations, in each case, in accordance with the Collateral Management Agreement.

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

**“Collateral Acquisition Agreements”** means each of the agreements entered into by the Issuer in relation to the purchase by the Issuer of Collateral Debt Obligations from time to time including, but not limited to, a master settlement agreement for the purchase and settlement of Collateral Debt Obligations dated 24 September 2014 between the Issuer (as purchaser) and the Collateral Manager (as seller).

**“Collateral Debt Obligation”** means any debt obligation or debt security purchased by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which satisfies the Eligibility Criteria. References to Collateral Debt Obligations shall not include Collateral Enhancement Debt Obligations, Eligible Investments or Exchanged Security. Obligations which are to constitute Collateral Debt Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Debt Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Interest Diversion Test 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, the Collateral Quality Tests, the Coverage Tests and the Interest Diversion Test as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it, shall not cause such obligation to cease to constitute a Collateral Debt Obligation unless it is an Issue Date Collateral Debt Obligation which does not satisfy the Eligibility Criteria on the Issue Date. A Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) shall only constitute a Collateral Debt Obligation if it is a Restructured Obligation.

**“Collateral Debt Obligation 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.

**“Collateral Enhancement Account”** means an account in the name of the Issuer, so entitled and held with the Account Bank.

**“Collateral Enhancement Amount”** means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds retained in the Collateral Enhancement Account on the Payment Date in accordance with the Interest Proceeds Priority of Payments, at the sole discretion of the Collateral

Manager which amounts shall not exceed €1,000,000 in the aggregate for any Payment Date or an aggregate amount for all applicable Payment Dates of €2,000,000.

**“Collateral Enhancement Debt Obligation”** means any warrant or equity security, excluding Exchanged Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral 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 other than those which may arise at its option.

**“Collateral Enhancement Debt Obligation Proceeds”** means all Distributions and Sale Proceeds received in respect of any Collateral Enhancement Debt Obligation.

**“Collateral Management Fee”** means each of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and Incentive Collateral Management Fee.

**“Collateral Manager Advance”** means any amount advanced by the Collateral Manager:

- (i) for the purchase or exercise of a Collateral Enhancement Debt Obligation, to the extent there are insufficient funds available in the Collateral Enhancement Account, in its sole discretion; and
- (ii) as a contribution to Interest Proceeds or Principal Proceeds, to be applied in accordance with the applicable Priorities of Payments,

which shall bear interest in accordance with the Collateral Management Agreement at a rate not exceeding EURIBOR plus 2.0 per cent.

The aggregate amount outstanding of all Collateral Manager Advances shall not, at any time, exceed €5,000,000 or such greater number as the Subordinated Noteholders may approve, acting by an Ordinary Resolution.

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

- (i) so long as any Notes rated by Moody’s are Outstanding:
  - (A) the Moody’s Minimum Diversity Test;
  - (B) the Moody’s Minimum Weighted Average Recovery Rate Test; and
  - (C) the Moody’s Maximum Weighted Average Rating Factor Test;
- (ii) so long as any 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;
- (iii) so long as any Rated Notes are Outstanding:
  - (A) the Weighted Average Life Test;
  - (B) the Minimum Weighted Average Spread Test; and
  - (C) the Minimum Weighted Average Coupon Test,

each as defined in the Collateral 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 judicial

decision or interpretation (whether proposed, temporary or final), interest payments due from the Obligors of any Collateral Debt Obligations (or from Selling Institutions in the case of Participations) in relation to any Due Period becoming properly subject to the imposition of home jurisdiction or foreign withholding tax (other than where such withholding tax is compensated for by a “gross up” provision in the terms of the Collateral Debt Obligation or such requirement to withhold is eliminated pursuant to a double taxation treaty or otherwise so that the Issuer as holder thereof (either directly or indirectly through a Participation) is held completely harmless from the full amount of such withholding tax on an after tax basis) so that the aggregate amount of such withholding tax on all Collateral Debt Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (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.

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

**“Commitment Amount”** means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt 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.

**“Contribution”** has the meaning specified in the Conditions 2(k) (*Contributions*).

**“Contributions Account”** means the account described as such in the name of the Issuer held with the Account Bank.

**“Contributor”** has the meaning specified in Condition 2(k) (*Contributions*).

**“Controlling Class”** means:

- (i) the Class A Notes; or
- (ii) (A) following redemption and payment in full of the Class A Notes; or
  - (B) prior to the redemption and payment in full of the Class A Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of the Class A Notes is held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes,
 the Class B Notes; or
- (iii) (A) following redemption and payment in full of the Class A Notes and the Class B Notes; or
  - (B) prior to the redemption and payment in full of the Class A Notes and the Class B Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes and the Class B Notes is held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes,
 the Class C Notes; or
- (iv) (A) following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes; or
  - (B) prior to the redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A

Notes, the Class B Notes and the Class C Notes is held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes,

the Class D Notes; or

- (v) (A) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; or
- (B) prior to the redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and solely in connection with a CM Removal Resolution or a CM Replacement Resolution, if 100 per cent. of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes is held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes,

the Class E Notes; or

- (vi) following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the Class F Notes; or
- (vii) following redemption and payment in full of all of the Rated Notes, the Subordinated Notes,

*provided* that, solely in connection with a CM Removal Resolution or a CM Replacement Resolution, no Notes held in the form of CM Non-Voting Exchangeable Notes and/or CM Non-Voting Notes shall (A) constitute or form part of the Controlling Class, (B) be entitled to vote in respect of such CM Removal Resolution or CM Replacement Resolution or (C) be counted for the purposes of determining a quorum or the result of voting in respect of such CM Removal Resolution or CM Replacement Resolution.

**“Controlling Person”** means a person (other than a Benefit Plan Investor) with discretionary authority or control over the assets of the entity or who provides investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates.

**“Corporate Rescue Loan”** means as determined by the Collateral Manager, any interest in a loan or financing facility that is acquired directly by way of assignment, novation or indirectly by way of sub-participation, which is paying interest (and, if applicable, principal) on a current basis, has a Moody’s Rating determined in accordance with (a)(i) of the definition of Moody’s Rating of not lower than “Caa3” and either:

- (i) 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 (zz) if the Corporate Rescue Loan or any portion thereof is unsecured, the repayment of such Corporate Rescue Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or
- (ii) is a credit facility or other advance made available to a company or group not organised under laws of the United States or any State therein in a restructuring or insolvency process which constitutes the most senior secured obligations of the entity which is the Obligor thereof, provided such Obligor

is not organised under the laws of the United States or any State therein and either (x) 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 (y) 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,

**“Corporate Services Provider”** means Deutsche International Corporate Services (Ireland) Limited.

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

**“Counterparty Downgrade Collateral Account”** means one or more accounts of the Issuer with the Custodian into which all Counterparty Downgrade Collateral received from a Hedge Counterparty (other than cash) is to be deposited or (as the case may be) interest bearing account(s) of the Issuer held with the Account Bank into which all Counterparty Downgrade Collateral (in the form of cash) is to be deposited. A separate Counterparty Downgrade Collateral Account shall be opened in respect of each Hedge Counterparty as and when required.

**“Counterparty Downgrade Collateral Account Surplus”** has the meaning given thereto in Condition 3(j)(v)(B)(3) (*Counterparty Downgrade Collateral Account*).

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

**“Cov-Lite Loan”** means a Collateral Debt Obligation that is an interest in a loan that in the reasonable judgment of the Collateral Manager (a) does not contain any financial covenants; or (b) requires the Obligor to comply with an Incurrence Covenant, but does not require the Obligor to comply with a Maintenance Covenant; provided that for all purposes such a Collateral Debt Obligation which either contains a cross default provision to or is pari passu with, another loan of the Obligor that requires the Obligor to comply with a Maintenance Covenant will be deemed not to be a Cov-Lite Loan where such compliance is required either (i) at all times during the life of such other obligation or (ii) only when such other obligation is funded upon the occurrence of a particular specified event.

**“Credit Impaired Obligation”** means any Collateral Debt Obligation that, in the Collateral Manager’s reasonable judgment, has a significant risk of declining in credit quality or price; provided that at any time during a Restricted Trading 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 the Rating Agency since it was acquired by the Issuer; (ii) at least one of the Credit Impaired Obligation Criteria is 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 on any date of determination in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Collateral Manager in its discretion:

- (i) if such Collateral Debt Obligation is a loan obligation or floating rate note, 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 Senior Unsecured Obligations, Second Lien Loans or Mezzanine Obligations, either at least 0.50 per cent. more negative or at least 0.50 per cent. less positive, in each case, than the percentage change in the average price of an Eligible Loan Index;

- (ii) 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 Collateral 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 Collateral Manager;
- (iii) if such Collateral Debt Obligation is a Fixed Rate Collateral Debt Obligation which is a bond or security, 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;
- (iv) if such Collateral Debt Obligation is a loan obligation or a floating rate note, 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 Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 2.00 per cent. but less than or equal to 4.00 per cent.) or (3) 0.50 per cent. or more (in the case of a loan obligation with a spread (prior to such increase) greater than 4.00 per cent.), due to a deterioration in the Obligor's financial ratios or financial results; or
- (v) 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 Collateral 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.

**“Credit Improved Obligation”** means any Collateral Debt Obligation which, in the Collateral Manager’s reasonable judgment, has significantly improved in credit quality after it was acquired by the Issuer provided that at any time during a Restricted Trading 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 the Rating Agency since it was acquired by the Issuer; (ii) at least one of the Credit Improved Obligation Criteria is 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 on any date of determination in respect of a Collateral Debt Obligation if any of the following apply to such Collateral Debt Obligation, as determined by the Collateral Manager in its discretion:

- (i) 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;
- (ii) if such Collateral Debt Obligation is a loan obligation, or floating rate note, the price of such loan obligation has changed during the period from the date on which the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation to the proposed sale date by a percentage either at least 0.25 per cent. more positive, or 0.25 per cent. less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index over the same period;

- (iii) 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 Collateral 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 Collateral Manager;
- (iv) if such Collateral Debt Obligation is a loan 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 Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation with a spread (prior to such decrease) less than or equal to 2.00 per cent.), (2) 0.375 per cent. or more (in the case of a loan 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 (3) 0.50 per cent. or more (in the case of a loan 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
- (v) it has a projected cash flow interest coverage ratio (earnings before interest and taxes divided by cash interest expense as estimated by the Collateral 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.

**"CRR"** means Regulation (EU) No. 575/2013 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 to 410 of the CRR, (in each case as implemented by the Member States of the European Union) and together with the Final Technical Standards and any other guidelines and technical standards published in relation thereto by the EBA or contained in any European Commission delegated regulation as may be effective from time to time, in each case together with any amendments to those provisions or any successor or replacement provisions included in any European Union directive or regulation.

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

- (i) the Collateral Manager believes, in its reasonable judgment, the Obligor of such Collateral Debt Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash by maturity or as otherwise contractually due;
- (ii) if the Obligor is subject to a bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder; and
- (iii) the Collateral Debt Obligation has either:
  - (A) a Moody's Rating of "B3" or higher;
  - (B) a Moody's Rating of at least "Caa1" and a Market Value of (x) in the case of an Unhedged Collateral Debt Obligation, at least 80 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, at least 80 per cent. of its current Principal Balance; or
  - (C) a Moody's Rating of at least "Caa2" and a Market Value of (x) in the case of an Unhedged Collateral Debt Obligation, at least 85 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, at least 85 per cent. of its current Principal Balance,



provided that, (x) if the Moody's Rating falls below the rating specified in (A), (y) if the Moody's Rating or the Market Value falls below the rating or market value specified in (B), or (z) if the Moody's Rating or the Market Value falls below the rating or market value specified in (C), as the case may be, such Collateral Debt Obligation shall be treated as Defaulted Obligation until such time as it becomes a Current Pay Obligation (by virtue of paragraphs (i), (ii) and (iii) above being satisfied).

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

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

**"Defaulted Mezzanine Excess Amounts"** means the lesser of:

- (i) the greater of (x) zero and (y) the aggregate of all amounts paid into the Principal Account in respect of each Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts plus any Purchased Accrued Interest relating thereto; and
- (ii) all deferred interest paid in respect of each such Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation minus any Purchased Accrued Interest relating thereto.

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

- (i) 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, waiver or forbearance applicable thereto provided that in the case of any Collateral Debt Obligation in respect of which the Collateral Manager has confirmed to the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non-credit related causes, such Collateral 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;
- (ii) 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 (ii) if it is a Current Pay Obligation);
- (iii) in respect of which the Collateral Manager knows 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 both such other obligation and the Collateral Debt Obligation are full recourse, unsecured obligations, the other obligation is senior to, or pari passu with, the Collateral Debt Obligation in

right of payment and the holders of such obligation have accelerated the maturity of all or a portion of such obligation;

- (iv) which (i) has an Moody's Rating of "Ca" or "C" or (ii) has a Fitch Rating of "CC" or below or "RD";
- (v) which the Collateral Manager, acting on behalf of the Issuer, determines in its reasonable judgment should be treated as a Defaulted Obligation;
- (vi) which would be treated as a Current Pay Obligation except that such Collateral Debt Obligation would result in the Aggregate Collateral Balance of all Collateral Debt Obligations which constitute Current Pay Obligations exceeding 5.00 per cent. of the Aggregate Collateral Balance (excluding Defaulted Obligations);
- (vii) in respect of a Collateral Debt Obligation that is a Participation:
  - (A) the Selling Institution has defaulted in respect of any of its payment obligations under the terms of such Participation;
  - (B) the obligation which is the subject of such Participation would constitute a Defaulted Obligation if the Issuer had a direct interest therein; or
  - (C) the Selling Institution has (x) a Moody's Rating of "Ca" or "C" or had such Moody's Rating immediately prior to its withdrawal by Moody's or (y) a Fitch Rating of "CC" or below or "RD" or in either case had such rating prior to its withdrawal of its Fitch Rating; or
- (viii) 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 amount) of such Obligor and in the reasonable judgement of the Collateral Manager, such offer has the apparent purpose of helping the Obligor avoid default; provided, however, such obligation will cease to be a Defaulted Obligation under this paragraph if such new obligation is (x) a Restructured Obligation; and (y) such Restructured Obligation does not otherwise constitute a Defaulted Obligation pursuant to any other paragraph of the definition hereof,

provided that: (x) 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 (ii) and (viii) thereof; (y) save in the case of (vi) above, a Collateral Debt Obligation which is a Current Pay Obligation shall not constitute a Defaulted Obligation (provided further that, in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso; the Current Pay Obligations with the lowest Market Value shall be deemed to constitute the excess) and (z) 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 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 in respect of such Defaulted Obligation.

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

**"Deferred Senior Collateral Management Amounts"** has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

**“Deferred Subordinated Collateral Management Amounts”** has the meaning given thereto in Condition 3(c)(i) (*Application of Interest Proceeds*).

**“Deferring Security”** and collectively **“Deferring Securities”** means a PIK Obligation that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon:

- (i) with respect to Collateral Debt Obligations that have a Moody’s Rating of at least “Baa3” or a Fitch Rating of at least “BBB-”, for the shorter of two consecutive accrual periods or one year; and
- (ii) with respect to Collateral Debt Obligations that have a Moody’s Rating of “Ba1” or below or a Fitch Rating of “BB+” or below, for the shorter of one accrual period or six consecutive months,

which deferred capitalised interest has not, as of the date of determination, been paid in cash.

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

**“Delayed Drawdown Collateral Debt Obligation”** means a Collateral Debt Obligation that: (a) requires the Issuer to make one or more future advances to the borrower under the Underlying Instruments relating thereto; (b) specifies a maximum amount that can be borrowed; and (c) does not permit the re-borrowing of any amount previously repaid; but any such Collateral Debt Obligation will be a Delayed Drawdown Collateral Debt 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, five Business Days prior to the applicable Redemption Date.

**“Discount Obligation”** means any Collateral Debt Obligation that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines:

- (i) in the case of any Floating Rate Collateral Debt Obligations, is acquired by the Issuer for a purchase price of less than (x) in the case of an Unhedged Collateral Debt Obligation, 80 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, 80 per cent. of the Principal Balance of such Collateral Debt Obligation (or, if such interest has a Moody’s rating below “B3”, such interest is acquired by the Issuer for a purchase price of less than 85 per cent. of its Principal Balance); provided that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value (not being a Market Value determined by the Collateral Manager) of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation equals or exceeds (x) in the case of an Unhedged Collateral Debt Obligation, 90 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, 90 per cent. of the Principal Balance of such Collateral Debt Obligation; or
- (ii) in the case of any Fixed Rate Collateral Debt Obligation, is acquired by the Issuer for a purchase price of less than (x) in the case of an Unhedged Collateral Debt Obligation, 75 per cent. of its Unhedged Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, 75 per cent. of the Principal Balance of such Collateral Debt Obligation (or, if such interest has a Moody’s rating below “B3”, such interest is acquired by the Issuer for a purchase price of less than 80 per cent. of its Principal Balance); provided that such Collateral Debt Obligation shall cease to be a Discount Obligation at such time as the Market Value (not being a Market Value determined by the Collateral Manager) of such Collateral Debt Obligation, as determined for any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Debt Obligation, equals or exceeds (x) in the case of an Unhedged Collateral Debt Obligation, 85 per cent. of its Unhedged

Principal Balance, and (y) in the case of all other such Collateral Debt Obligations, 85 per cent. of the Principal Balance of such Collateral Debt Obligation,

provided that where the Principal Balance of a Collateral Debt Obligation is partially composed of a Discount Obligation, any sale, repayment or prepayment in respect of such Collateral Debt Obligation will be applied pro rata to (x) the discounted portion of such Collateral Debt Obligation and (y) the non-discounted portion 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 Debt Obligation, any Eligible Investment or any Exchanged Security, as applicable.

**“Dodd-Frank Act”** means the Dodd-Frank Wall Street Reform and Consumer Protection Act including any related regulation as may be amended, supplemented or replaced from time to time.

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

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

**“Drawdown Date”** has the meaning given thereto in the Liquidity Facility Agreement.

**“DTC”** means The Depository Trust Company, its nominee or any successor thereto or replacement thereof.

**“Due Period”** means, with respect to any Payment Date, the period commencing on and including the day immediately following the eighth Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the eighth Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date which is the Redemption Date of any Note, ending on and including the Business Day preceding such Payment Date).

**“EBA”** means the European Banking Authority (including any successor or replacement agency or authority).

**“Effective Date”** means the earlier of:

- (i) the date designated for such purpose by the Collateral Manager by written notice to the Trustee, the Issuer, the Rating Agencies and the Collateral Administrator pursuant to the Collateral Management Agreement, subject to the Effective Date Determination Requirements having been satisfied; and
- (ii) 17 June 2015 (or, if such day is not a Business Day, the next following Business Day).

**“Effective Date Determination Requirements”** means, as at the Effective Date, each of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests (save for the Interest Coverage Tests) being satisfied on such date, and the Issuer having acquired or having entered into binding commitments to acquire Collateral Debt Obligations the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Debt Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its (i) Moody’s Collateral Value and (ii) Fitch Collateral Value).

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

**“Effective Date Rating Event”** means:

- (i)
  - (A) the Effective Date Determination Requirements not having been satisfied as at the Effective Date (unless Rating Agency Confirmation is received in respect of such failure to satisfy the Effective Date Determination Requirements); and
  - (B) either (X) the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or, (Y) following request therefor from the Collateral Manager, Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan; or
- (ii) the Effective Date Moody's Condition not being satisfied and, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's not having been received,

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

**“Effective Date Report”** has the meaning given to it in the Collateral Management Agreement.

**“Effective Date Target Ratio”** means, the ratio (expressed as a percentage) obtained by dividing (a) an amount equal to the Reinvestment Target Par Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Class F Notes.

**“Eligibility Criteria”** means the Eligibility Criteria specified in the Collateral Management Agreement which are required to be satisfied in respect of each Collateral Debt Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation and, in the case of Issue Date Collateral Debt Obligations, the Issue Date.

**“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 Collateral Manager or an Affiliate of any of them provides services:

- (i) 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 which in each case has a rating of not less than the applicable Eligible Investment Minimum Rating;
- (ii) 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 180 days and subject to supervision and examination by governmental banking authorities so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the

principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) and the relevant issuing depository institution or trust company (or holding company, if applicable) at the time of such investment or contractual commitment have a rating of not less than the applicable Eligible Investment Minimum Rating;

- (iii) subject to receipt of Rating Agency Confirmation related thereto, unleveraged repurchase obligations with respect to:
- (iv) any obligation described in paragraph (i) above; or
- (v) 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 (ii) 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;
- (vi) 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 have 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;
- (vii) 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 183 days from their date of issuance;
- (viii) offshore funds investing in the money markets rated, at all times, “AAAmmf” by Fitch and “Aaa-mf” by Moody’s, or if not rated “AAAmmf” by Fitch, is rated “Aaa-mf” by Moody’s and “AAAm” or “AAAm-G” by S&P, provided that such fund issues shares, units or participations that may be lawfully acquired in Ireland; and
- (ix) any other investment similar to those described in paragraphs (i) to (viii) (inclusive) above:
  - (A) in respect of which Rating Agency Confirmation has been received as to its inclusion in the Portfolio as an Eligible Investment; and
  - (B) which has, in the case of an investment with a maturity of longer than 91 days, a long-term credit rating not less than the applicable Eligible Investment Minimum Rating,

and, in each case, such instrument or investment provides for payment of a predetermined fixed amount of principal on maturity that is not subject to change, either (A) has a Collateral Debt Obligation Stated Maturity (giving effect to any applicable grace period) which is the earlier of (x) 365 days and (y) the Business Day immediately preceding the next following Payment Date or (B) is capable of being liquidated at par on demand without penalty, provided, however, that Eligible Investments shall not include any mortgage backed security, interest only security, security subject to withholding or similar taxes (other than taxes imposed under FATCA), or security purchased at a price in excess of 100 per cent. of par, security whose repayment is subject to substantial non credit related risk (as determined by the Collateral Manager in its discretion); provided further that only assets which are “qualifying assets” within the meaning of Section 110 of the Taxes Consolidation Act 1997 (the “TCA”) as amended of Ireland and which do not give rise to Irish stamp duty (except to the extent that such stamp duty is taken into account in deciding whether to acquire the assets) may constitute Eligible Investments.

**“Eligible Investments Minimum Rating”** means:

- (i) for so long as any Notes rated by Moody’s are Outstanding:

- (A) where such commercial paper or debt obligations do not have a short-term senior unsecured debt or issuer (as applicable) credit rating from Moody's, a long-term senior unsecured debt or issuer (as applicable) credit rating of "Aaa" from Moody's; or
  - (B) where such commercial paper or debt obligations have a short-term senior unsecured debt or issuer (as applicable) credit rating, such short-term rating is "P-1" from Moody's and the long-term senior unsecured debt or issuer (as applicable) credit rating is at least "A1" from Moody's;
- (ii) for so long any Notes rated by Fitch are Outstanding:
  - (A) in the case of Eligible Investments with a maturity of more than 30 days:
    - (1) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from Fitch; or
    - (2) a short-term senior unsecured debt or issuer credit rating of at least "F1+" from Fitch; or
    - (3) such other ratings as confirmed by Fitch; and
  - (B) in the case of Eligible Investments with a maturity of 30 days or less:
    - (1) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A" from Fitch; or
    - (2) a short-term senior unsecured debt or issuer credit rating of at least "F1" from Fitch; or
    - (3) such other ratings as confirmed by Fitch.

**"Eligible Loan Index"** means the Credit Suisse Western 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, including any implementing and/or delegated regulation, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time.

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

**"ESMA"** means the European Securities and Markets Authority or any replacement thereof or successor thereto.

**"EURIBOR"** means the rate determined in accordance with Condition 6(e) (*Interest on the Notes*).

**"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 on the Functioning of the European Union, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the **"Exiting State(s)"**), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s).

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

**"Euroclear Security Agreement"** means a Euroclear security agreement dated on or about the Issue Date between, inter alios, the Issuer and the Trustee.

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

**“Excess CCC/Caa Adjustment Amount”** means, as of any date of determination, an amount equal to the greater of zero and:

- (i) the Aggregate Principal Balance of all Collateral Debt Obligations included in the CCC/Caa Excess; minus
- (ii) aggregate of, with respect to the Collateral Debt Obligations included in the CCC/Caa Excess, the product of (1) the Principal Balance of each such Collateral Debt Obligation and (2) the Market Value of each such Collateral Debt Obligation.

**“Exchange Act”** means the United States Securities Exchange Act of 1934, as amended.

**“Exchanged Security”** means any of: (a) an equity security which is not a Collateral Enhancement Debt Obligation and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral 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 (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) which does not satisfy the Restructured Obligation Criteria on the Restructuring Date.

**“Expense Reserve Account”** means an account in the name of the Issuer so entitled and held by the Account Bank.

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

**“FATCA”** means:

- (i) Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 (the **“Code”**) or any associated regulations or other official guidance;
- (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (i) above; or
- (iii) any agreement pursuant to the implementation of paragraphs (i) or (ii) above with the Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**“FATCA Compliance”** means compliance with FATCA and any related provisions of law, court decisions, or administrative guidance, including the Issuer entering into and complying with an agreement with the Internal Revenue Service contemplated by Section 1471(b) of the Code or any comparable requirements under the intergovernmental agreement between Ireland and the United States and any implementing legislation thereunder, in each case as necessary so that no tax will be imposed or withheld under those sections in respect of payments to or for the benefit of Issuer.

**“FATCA Compliance Costs”** means the aggregate cumulative costs of the Issuer of achieving FATCA Compliance, including the fees and expenses of the Collateral Manager and any other agent or appointee appointed by or on behalf of the Issuer in respect of the Issuer’s FATCA Compliance.

**“Fee Basis Amount”** means an amount equal to (a) for the first Payment Date, to the Aggregate Collateral Balance as of the last day of the related Due Period and (b) for any other Payment Date, to the Aggregate Collateral Balance as of the first day of the related Due Period.

**“Final Technical Standards”** means Delegated Regulation (EU) No. 625/2014 of 13 March 2014 supplementing the CRR.



**“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:

- (i) for each Defaulted Obligation and Deferring Security, the lower of:
  - (A) its prevailing Market Value; and
  - (B) the relevant Fitch Recovery Rate,multiplied by its Principal Balance; or
- (ii) in the case of any other applicable Collateral Debt Obligation the relevant Fitch Recovery Rate multiplied by its Principal Balance.

**“Fitch Maximum Weighted Average Rating Factor Test”** has the meaning given to it in the Collateral Management Agreement.

**“Fitch Minimum Weighted Average Recovery Rate Test”** has the meaning given to it in the Collateral Management Agreement.

**“Fitch Rating”** has the meaning given to it in the Collateral Management Agreement.

**“Fitch Recovery Rate”** means in respect of any Collateral Debt Obligation, the Fitch recovery rate determined in accordance with the Collateral Management Agreement.

**“Fitch Tests Matrix”** has the meaning given to it in the Collateral Management Agreement.

**“Fixed Rate Collateral Debt Obligation”** means any Collateral Debt Obligation that bears a fixed rate of interest.

**“Fixed Rate Notes”** means the Class B-2 Notes.

**“Floating Rate Collateral Debt Obligation”** means any Collateral Debt Obligation that bears a floating rate of interest.

**“Floating Rate Notes”** means the Class A Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

**“Floating Rate of Interest”** has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

**“Form Approved Asset Swap”** means an Asset Swap Transaction and the related Asset Swap Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the name and financial aspects of the related Collateral Debt Obligation, the notional amount, the effective date, the termination date and other related and/or immaterial changes) to a form approved by the Rating Agencies from time to time, provided that such approval shall be deemed to have been so received in respect of any such form approved by the Rating Agencies prior to the Issue Date unless otherwise notified to the Collateral Manager (acting on behalf of the Issuer) by a Rating Agency prior to entering into a new Asset Swap Transaction.

**“Form Approved Interest Rate Hedge”** means an Interest Rate Hedge Transaction and the related Interest Rate Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the applicable floating rate index, the notional amount, the effective date, the termination date and other related and/or immaterial changes) to a form approved by the Rating Agencies from time to time, provided that such approval shall be deemed to have been so received in respect of any such form approved by the Rating Agencies prior to the Issue Date unless otherwise notified to the

Collateral Manager (acting on behalf of the Issuer) by a Rating Agency prior to entering into a new Interest Rate Hedge Transaction.

**“Funded Amount”** means, with respect to any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation at any time, the aggregate principal amount of advances or other extensions of credit to the extent funded thereunder by the Issuer that are outstanding at such time.

**“Hedge Agreement”** means any Interest Rate Hedge Agreement or Asset Swap Agreement, as applicable.

**“Hedge Agreement Eligibility Criteria”** has the meaning given thereto in the Collateral Management Agreement.

**“Hedge Counterparty”** means any Interest Rate Hedge Counterparty or Asset Swap Counterparty, as applicable.

**“Hedge Replacement Payment”** means any Interest Rate Hedge Replacement Payment or Asset Swap Replacement Payment, as applicable.

**“Hedge Replacement Receipt”** means any Interest Rate Hedge Replacement Receipt or Asset Swap Replacement Receipt, as applicable.

**“Hedge Termination Account”** means the interest bearing account (or accounts) of the Issuer held with the Account Bank into which Hedge Termination Receipts 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.

**“Hedge Termination Payment”** means any Interest Rate Hedge Termination Payment or Asset Swap Termination Payment, as applicable.

**“Hedge Termination Receipt”** means any Interest Rate Hedge Termination Receipt or Asset Swap Termination Receipt, as applicable.

**“Hedge Transaction”** means any Interest Rate Hedge Transaction or Asset Swap Transaction, as applicable.

**“High Yield Bond”** means a debt security other than a Senior Secured Bond which, on acquisition by the Issuer, is either rated below investment grade 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 credit 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 Collateral Manager, excluding any debt security which is secured directly on, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

**“Incentive Collateral Management Fee”** means the fee payable to the Collateral Manager (exclusive of value added tax) pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to the amount specified at paragraph (DD) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payments provided that such amount will only be payable to the Collateral Manager if the Incentive Collateral Management Fee IRR Threshold has been reached.

**“Incentive Collateral Management Fee IRR Threshold”** means the threshold which will have been reached on the relevant Payment Date if the Subordinated Notes Outstanding have received an IRR of least 12.0 per cent. on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

**“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 Drawdown”** means the aggregate amounts that the Issuer has drawn in accordance with the terms of the Liquidity Facility Agreement for the payment of any shortfall in the amount of Interest Proceeds available to pay amounts due and payable in accordance with (A) through (DD) (inclusive) (other than amounts payable to the Liquidity Facility Provider pursuant to paragraph (E)) of the Interest Proceeds Priority of Payments on any Payment Date.

**“Initial Investment Period”** means the period from, and including, the Issue Date to, but excluding, the Effective Date.

**“Initial Ratings”** means in respect of any Class of Notes and any Rating Agency, the ratings assigned to such Class of Notes by such Rating Agency as at the Issue Date and **“Initial Rating”** means each such rating.

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

**“Interest Amount”** means in respect of a Class of Notes:

- (i) in the case of the Floating Rate Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(e)(ii) (*Determination of Floating Rate of Interest and Calculation of Interest Amount*) and, in the case of the Fixed Rate Notes, the amount calculated by the Calculation Agent in accordance with Condition 6(e)(iii) (*Calculation of Class B-2 Fixed Amounts*) and
- (ii) in the case of the Subordinated Notes, the amount calculated by the Collateral Administrator in accordance with Condition 6(e)(v) (*Interest Proceeds in respect of Subordinated Notes*).

**“Interest Coverage Amount”** means, on any particular Measurement Date:

- (i) the Balance standing to the credit of the Interest Account;
- plus
- (ii) the sum of all scheduled interest payments (including (X) any commitment fees due but not yet received in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations, (Y) any amounts which the applicable Obligor has agreed or is required to pay by way of a gross-up in respect of amounts withheld at source or otherwise deducted in respect of taxes and (Z) any amounts which the Collateral 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 the Counterparty Downgrade Collateral Account, but including interest on third party collateral accounts of the kind referred to in Condition 3(j)(ii)(J) (*Interest Account*), but excluding:
    - (A) accrued and unpaid interest on Defaulted Obligations (excluding Current Pay Obligations) unless such amounts constitute Defaulted Obligation Excess Amounts or Defaulted Mezzanine Excess Amounts;
    - (B) 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;
    - (C) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Collateral Debt Obligation;

- (D) any amounts expected to be withheld at source or otherwise deducted in respect of taxes unless such withholding or deduction can be sheltered by application being made under the applicable double tax treaty or otherwise;
- (E) interest on any Collateral Debt Obligation which has not paid cash interest on a current basis in respect of the lesser of (A) twelve months and (B) the two most recent interest periods;
- (F) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made;
- (G) any Purchased Accrued Interest;
- (H) with respect to Mezzanine Obligations and PIK Obligations, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation,

provided that, in respect of a Non-Euro Obligation (1) that is an Asset Swap Obligation, this paragraph (ii) shall be deemed to refer to the related Scheduled Periodic Asset Swap Counterparty Payment, subject to the exclusions set out above and (2) that is an Unhedged Collateral Debt Obligation, the amount taken into account for this paragraph (ii) shall be an amount equal to (X) if such Unhedged Collateral Debt Obligation was purchased in the Primary Market, has been an Unhedged Collateral Debt Obligation for less than 90 calendar days since the date of settlement thereof, and as long as the Rated Notes are rated by Moody's and/or Fitch, 50.0 per cent. of the scheduled interest payments referred to above due but not yet received in respect of such Unhedged Collateral Debt Obligation (subject to the exclusions set out above), converted into Euro at the then prevailing Applicable Exchange Rate, and (Y) otherwise zero, provided that in the case of (X) above, if the Aggregate Collateral Balance (after giving effect to the purchase of any unsettled Unhedged Collateral Debt Obligation and calculating the principal balance thereof in accordance with the provisions of the Principal Balance for Unhedged Collateral Debt Obligations) is less than the Reinvestment Target Par Amount, such amount shall be deemed to be zero, and provided further that in the case of (X) above, if the Unhedged Aggregate Principal Balance exceeds 2.5 per cent. of the Aggregate Collateral Balance, such amount shall be multiplied by 2.5 per cent. of the Aggregate Collateral Balance and divided by the Unhedged Aggregate Principal Balance; and

- (iii) minus the amounts payable pursuant to paragraphs (A) through (G) of the Interest Proceeds Priority of Payments on the following Payment Date;
- (iv) plus any amounts that would be payable from the Interest Reserve 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);
- (v) plus any Scheduled Periodic Interest Rate Hedge Counterparty Payments payable to the Issuer under any Hedge Transaction but to the extent not already included in accordance with (i) above; and
- (vi) plus any amounts which can be drawn under the Liquidity Facility Agreement after taking into account the amount currently outstanding that is not expected to be repaid under (iii) above; and
- (vii) minus any interest in respect of a PIK Obligation that has been deferred (but only to the extent such amount has not already been excluded in accordance with (ii)(B), (C), (E), (H), above).

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Debt Obligations and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

**“Interest Coverage Ratio”** means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio (as applicable). For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral Debt Obligations, Eligible Investments and the Accounts (to the extent applicable) and the expected interest payable on the relevant Rated Notes will be calculated using the then current interest rates applicable thereto.

**“Interest Coverage Test”** means the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test (as applicable).

**“Interest Determination Date”** means the second Business Day prior to the commencement of each Accrual Period given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

**“Interest Diversion Test”** means the test which will apply as of any Measurement Date on and after the Effective Date which will be satisfied on such Measurement Date if the Class F Par Value Ratio is at least equal to 105.7 per cent.

**“Interest Proceeds”** means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Proceeds Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*) or Condition 11 (*Enforcement*). Any Initial Drawdowns or Subsequent Drawdowns paid into the Payment Account shall constitute Interest Proceeds.

**“Interest Proceeds Priority of Payments”** means the priority of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

**“Interest Reserve Account”** means the account described as such in the name of the Issuer held with the Account Bank to which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(xiii) (*Interest Reserve Account*).

**“Interest Rate Hedge Agreement”** means a 1992 ISDA Master Agreement (Multicurrency-Cross-Border) or a 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time), together with the schedule and confirmations relating thereto including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof, each as amended or supplemented from time to time, and entered into by the Issuer with an Interest Rate Hedge Counterparty which shall govern one or more Interest Rate Hedge Transactions entered into by the Issuer and such Interest Rate Hedge Counterparty (including any Replacement Interest Rate Hedge Transaction).

**“Interest Rate Hedge Counterparty”** means each financial institution with which the Issuer enters into an Interest Rate Hedge Transaction or any permitted assignee or successor thereto under the terms of the related Interest Rate Hedge Transaction and in each case which satisfies, at the time of entry into the relevant Interest Rate Hedge Transaction, the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement).

**“Interest Rate Hedge Replacement Payment”** means any amount payable to an Interest Rate Hedge Counterparty by the Issuer upon entry into a Replacement Interest Rate Hedge Transaction which is replacing an Interest Rate Hedge Transaction which was terminated.

**“Interest Rate Hedge Replacement Receipt”** means any amount payable to the Issuer by an Interest Rate Hedge Counterparty upon entry into a Replacement Interest Rate Hedge Transaction which is replacing an Interest Rate Hedge Transaction which was terminated.

**“Interest Rate Hedge Termination Payment”** means the amount payable to an 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 purposes other than payment by the Issuer, any due and unpaid scheduled amounts payable thereunder.

**“Interest Rate Hedge Termination Receipt”** means the amount payable by an Interest Rate Hedge Counterparty to the Issuer upon termination of an Interest Rate Hedge Transaction pursuant to the relevant Interest Rate Hedge Agreement, excluding, for purposes other than payment to the applicable Account to which the Issuer shall credit such amounts, the portion thereof representing any due and unpaid scheduled amounts payable thereunder.

**“Interest Rate Hedge Transaction”** means each interest rate protection transaction, which may be an interest rate swap transaction, an interest rate cap, an interest rate floor transaction, or an asset specific interest rate swap, in each case, entered into under an Interest Rate Hedge Agreement.

**“Interim Accounts”** means the Interim Interest Accounts and the Interim Principal Accounts.

**“Interim Interest Account”** means an interest bearing account described as such in the name of the Issuer held with the Interim Account Bank.

**“Interim Principal Account”** means an interest bearing account described as such in the name of the Issuer held with the Interim Account Bank.

**“Intermediary Obligation”** means an interest in relation to a loan which is structured to be acquired indirectly by lenders therein at or prior to primary syndication thereof, including pursuant to a collateralised deposit or guarantee, a sub-participation or other arrangement which has the same commercial effect and in each case, in respect of any obligation of the lender to a “fronting bank” in respect of non-payment by the Obligor, is 100 per cent. collateralised by such lenders.

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

**“Irish Stock Exchange”** means the Irish Stock Exchange plc.

**“IRR”** means, for purposes of the Incentive Collateral Management Fee, with respect to each Payment Date and the Subordinated Notes issued on the Issue Date, the rate of return that would result in a net present value of zero, assuming (i) an aggregate purchase price equal to the initial aggregate Principal Amount Outstanding of the Subordinated Notes issued on the Issue Date net of any issue discounts as the initial negative cash flow on the Issue Date and all payments on such Subordinated Notes on such and each prior Payment Date as positive cash flows, (ii) the initial date for calculation as of the Issue Date, and (iii) the number of days to each Payment Date from the Issue Date is calculated on the basis of the actual number of days in each such period and a 365-day year.

**“Internal Revenue Service”** means the United States Internal Revenue Service or any successor thereto.

**“ISDA”** means the International Swaps and Derivatives Association, Inc.

**“Issue Date”** means on or about 17 December 2014 (or such other date as may shortly follow such date as may be agreed between the Issuer and the Placement Agent and is notified in writing to the Trustee, the Collateral Administrator and the Noteholders in accordance with Condition 16 (*Notices*) and the Irish Stock Exchange).

**“Issue Date Collateral Debt Obligation”** means an obligation for which the Issuer (or the Collateral Manager, acting on behalf of the Issuer) has entered into a binding commitment to purchase on or prior to the Issue Date.

**“Issuer Irish Account”** means the account in the name of the Issuer with Allied Irish Banks plc.

**“Issuer Profit Amount”** means the payment on each Payment Date of €500, subject always to an aggregate maximum amount of €1,000 per annum, to the Issuer as a fee for entering into the transaction.

**“Liquidity Drawing”** means a loan made or to be made under the Liquidity Facility Agreement or deemed to be made under the Liquidity Facility Agreement including any Initial Drawdown and/or any Subsequent Drawdown.

**“Liquidity Facility”** means the liquidity facility granted by the Liquidity Facility Provider to the Issuer pursuant to the Liquidity Facility Agreement.

**“Liquidity Facility Agreement”** means an agreement dated the Issue Date between, amongst others, the Issuer, the Collateral Manager and the Liquidity Facility Provider.

**“Liquidity Facility Commitment Fee Amounts”** means all and any commitment fees accrued and payable on the Available Commitment or any Prefunded Commitment, in each case without duplication and in accordance with the Liquidity Facility Agreement.

**“Liquidity Facility Commitment Period”** means the period from (and including) the Issue Date to (but excluding) the Liquidity Facility Commitment Period End Date.

**“Liquidity Facility Commitment Period End Date”** means the earliest of:

- (i) the Business Day that is immediately preceding the date that is four years and five months from the Issue Date, unless the Liquidity Facility Commitment Period is renewed for one or two additional one year periods in accordance with the Liquidity Facility Agreement (including, in respect of such renewal, Rating Agency Confirmation being obtained);
- (ii) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its terms; and
- (iii) the date on which the Rated Notes are redeemed in full,

or, in each case, if such day is not a Business Day, the Business Day immediately prior to such day.

**“Liquidity Facility Interest Amounts”** means all interest accrued and payable on any Liquidity Drawing in accordance with the Liquidity Facility Agreement (including default interest and any additional amounts to compensate for any withholding tax if any withholding tax or deduction for tax is imposed) but excluding, for the avoidance of doubt, any interest accrued on the Prefunded Commitment standing to the credit of the Prefunded Commitment Account.

**“Liquidity Facility Provider”** means The Bank of New York Mellon in its capacity as the liquidity facility provider under the Liquidity Facility Agreement or such other person who may from time to time act as the liquidity facility provider under the Liquidity Facility Agreement.

**“Liquidity Payment”** means all interest and principal amounts and commitment fees due and payable by the Issuer to the Liquidity Facility Provider under the Liquidity Facility Agreement.

**“Maintenance Covenant”** means, as of any date of determination, a covenant by any Obligor to comply with one or more financial covenants during each reporting period applicable to the related loan, whether or not any action by, or event relating to, such Obligor occurs after such date of determination.

**“Mandatory Redemption”** means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

**“Margin Stock”** has the meaning given to it in the Collateral Management Agreement.

**“Market Value”** means, on any date of determination and as provided by the Collateral Manager to the Collateral Administrator (in each case, expressed as a percentage of par):

- (i) the bid price determined by an independent recognised pricing service; or
- (ii) provided if the bid price determined in (a) above is, in the reasonable business judgement of the Collateral Manager inaccurate or if such independent recognised pricing service is not available, the

mean of the bid prices (excluding accrued interest) determined by three independent broker-dealers active in the trading of such Collateral Debt Obligations; or

- (iii) if three such broker-dealer prices are not available, the lower of the bid side prices (excluding accrued interest) determined by two such broker-dealers; or
- (iv) if two such broker-dealer prices are not available, the bid side price (excluding accrued interest) determined by one independent broker-dealer (unless, in each case, the fair market value thereof determined by the Collateral Manager pursuant to (v) hereafter would be lower); or
- (v) if the determinations of such broker-dealers or independent recognised pricing service are not available, then in respect of Collateral Debt Obligations (other than Discount Obligations and Swapped Non-Discount Obligations), the lower of:
  - (A) the higher of:
    - (1) the lower of: (x) the Moody's Recovery Rate of such Collateral Debt Obligation and (y) the Fitch Recovery Rate of such Collateral Debt Obligation; and
    - (2) 70 per cent. of such Collateral Debt Obligation's Principal Balance; and
  - (B) the fair market value thereof determined by the Collateral Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof,
- (vi) if the determinations of such broker-dealers or independent recognised pricing service are not available, then in respect of Discount Obligations and Swapped Non-Discount Obligations only, the higher of:
  - (A) the lower of (x) the Moody's Recovery Rate of such Collateral Debt Obligation and (y) the Fitch Recovery Rate of such Collateral Debt Obligation; and
  - (B) 70 per cent. of such Collateral Debt Obligation's Principal Balance,

*provided however that:*

- (i) the purposes of this definition, "independent" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing service and broker-dealers from whom a bid price is sought and (B) each pricing service and broker dealer is not an Affiliate of the Collateral Manager and is not a portfolio company in which one or more funds managed or advised by the Collateral Manager or an Affiliate thereof holds an interest.
- (ii) where the Collateral Debt Obligation is a Non-Euro Obligation, to the extent there is an Asset Swap Agreement in place, the market value of the applicable Non-Euro Obligation shall be determined as provided above, multiplied by the rate of exchange given under the applicable Asset Swap Agreement;
- (iii) where the Collateral Debt Obligation is a Non-Euro Obligation which is not subject to an Asset Swap Transaction, the market value of the applicable Non-Euro Obligation shall be determined as provided above, converted into Euro at the Spot Rate;
- (iv) where the Market Value is determined by the Collateral Manager in accordance with the above provisions, such Market Value shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero, provided that, in respect of any Moody's Caa Obligations, Defaulted Obligations or Current Pay Obligations, this proviso (iv) shall not apply where (x) the Collateral Manager or the Sub-Manager is subject to Directive 2004/39/EC of the European Parliament and of the Council of 21 April, 2004 (or other comparable regulation); (y) such fair market value determined by the Collateral Manager or the Sub-



Manager (as applicable) is in a manner consistent with any determination it applies with respect to any other obligation managed by the Collateral Manager or the Sub-Manager (as applicable) and (z) such fair market value shall be of the same value assigned by the Collateral Manager or the Sub-Manager (as applicable) to such Collateral Debt Obligation for all other purposes, in each case, as notified to the Collateral Administrator on the date of determination thereof; and

- (v) in respect of Discount Obligations and Swapped Non-Discount Obligations, the Market Value calculated in accordance with (vi) above shall only be valid for 30 days, after which time if the Market Value cannot be ascertained by a third party the Market Value shall be deemed to be zero.

**“Maturity Amendment”** means with respect to any Collateral Debt Obligation, any waiver, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of such Collateral Debt Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Debt Obligation Stated Maturity of the credit facility of which a Collateral Debt Obligation is part, but would not extend the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation held by the Issuer, does not constitute a Maturity Amendment.

**“Maturity Date”** means the date falling on or around 24 January 2028.

**“Measurement Date”** means:

- (i) the Effective Date;
- (ii) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined, which determination shall be made, firstly, by reference immediately prior to receipt of any Principal Proceeds which are to be reinvested without taking into account and, secondly, taking into account on a projected basis, the proposed sale of Collateral Debt Obligations and reinvestment of the Sale Proceeds thereof in Substitute Collateral Debt Obligations;
- (iii) the date of acquisition of any additional Collateral Debt Obligation following the Effective Date;
- (iv) each Determination Date;
- (v) the date as at which any Report is prepared;
- (vi) following the Effective Date, with reasonable (and not less than five Business Days’) written notice to the Issuer and the Trustee, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

**“Mezzanine Obligation”** means a mezzanine loan obligation or other comparable debt obligation, including any such loan obligation with attached warrants and any such obligation which is evidenced by an issue of notes (other than High Yield Bonds), as determined by the Collateral Manager in its reasonable judgment, or a Participation therein.

**“Minimum Denomination”** means:

- (i) in the case of the Regulation S Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class), €100,000; and
- (ii) in the case of the Rule 144A Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class), €250,000.

**“Minimum Weighted Average Spread Test”** has the meaning given to it in the Collateral Management Agreement.

**“Minimum Weighted Average Coupon Test”** has the meaning given to it in the Collateral Management Agreement.

**“Moody’s”** means Moody’s Investors Service Ltd and any successor or successors thereto.

**“Moody’s Caa Obligations”** means all Collateral Debt Obligations, excluding Defaulted Obligations, with a Moody’s Rating of “Caa1” or lower.

**“Moody’s Collateral Value”** means:

- (i) for each Defaulted Obligation and Deferring Security on or after the earlier to occur of (x) the date which falls 90 days after the Collateral Debt Obligation becomes a Defaulted Obligation or Deferring Security and (y) where a Determination Date falls in the 90 day period referred to in (x), the date which falls 30 days after the Collateral Debt Obligation becomes a Defaulted Obligation or Deferring Security, the lower of:
  - (A) its prevailing Market Value; and
  - (B) the relevant Moody’s Recovery Rate,multiplied by its Principal Balance; or
- (ii) in the case of any other applicable Collateral Debt Obligation (including any Defaulted Obligation or Deferring Security not falling in (i) above), the relevant Moody’s Recovery Rate, or if the Moody’s Recovery Rate cannot be determined, the prevailing Market Value, in each case, multiplied by its Principal Balance.

**“Moody’s Maximum Weighted Average Rating Factor Test”** has the meaning given to it in the Collateral Management Agreement.

**“Moody’s Minimum Diversity Test”** has the meaning given to it in the Collateral Management Agreement.

**“Moody’s Minimum Weighted Average Recovery Rate Test”** has the meaning given to it in the Collateral Management Agreement.

**“Monthly Report”** means any monthly report defined as such in the Collateral Management Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management Agreement and made available via a secured website currently located at <https://gctinvestorreporting.bnymellon.com> which shall be accessible to the Issuer, the Trustee, the Collateral Manager, the Hedge Counterparties and the Rating Agencies, the Liquidity Facility Provider, 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 and which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management Agreement.

**“Non-Call Period”** means the period from and including the Issue Date up to, but excluding, the Payment Date falling on or around 23 January 2017.

**“Non-Eligible Issue Date Collateral Debt Obligation”** has the meaning given thereto in the Collateral Management Agreement.

**“Non-Emerging Market Country”** means any of Austria, Belgium, Canada, the Channel Islands, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom or United States and any other country, which has a Moody’s local currency country risk ceiling of, at the time of acquisition of the relevant Collateral Debt Obligation, at least “Baa3” by Moody’s and the foreign currency country issuer rating of

which is rated, at the time of acquisition of the relevant Collateral Debt Obligation, at least “BBB-” by Fitch (provided that Rating Agency Confirmation is received in respect of any such other country which is not in the Euro zone) or any other country in respect of which, at the time of acquisition of the relevant Collateral Debt Obligation, Rating Agency Confirmation is received.

“**Non-Euro Hedge Account**” means each segregated currency account into which amounts due to the Issuer in respect of each Asset Swap Obligation and out of which amounts from the Issuer to each applicable Asset Swap Counterparty under each applicable Asset Swap Transaction are to be paid.

“**Non-Euro Obligation**” means any Collateral Debt Obligation, or part thereof, as applicable, denominated in a currency other than Euro.

“**Noteholders**” means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and “**holder**” (in respect of the Notes) shall be construed accordingly.

“**Note Event of Default**” means each of the events defined as such in Condition 10(a) (*Note Events of Default*).

“**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:

- (i) firstly, to the redemption of the Class A Notes (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class A Notes, have been fully redeemed,
- (ii) secondly, to the redemption of the Class B Notes (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;
- (iii) thirdly, to the redemption of the Class C Notes including any Deferred Interest thereon (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;
- (iv) fourthly, to the redemption of the Class D Notes including any Deferred Interest thereon (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;
- (v) fifthly, to the redemption of the Class E Notes including any Deferred Interest thereon (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed; and
- (vi) sixthly, to the redemption of the Class F Notes including any Deferred Interest thereon (on a pro rata and pari passu basis) at the applicable Redemption Price in whole or in part until the Class F Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following breach of any Coverage Test, the Note Payment Sequence shall terminate immediately after the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

“**Note Tax Event**” means, at any time:

- (i) the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final) which results in (or would on the next Payment Date result in) any payment of principal or interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Subordinated 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;
  - (C) by reason of the failure by the relevant Noteholder to comply with any Transaction Document which sets out 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; and
  - (D) U.S. federal backup withholding tax; or
- (ii) UK or U.S. state, federal or governmental tax authorities impose net income, profits or similar tax upon the Issuer in an amount in excess of €1,000 per annum; or
  - (iii) the Issuer is liable to pay net income, profits or similar tax in Ireland (other than Irish corporate income tax in relation to the Issuer Profit Amount) in an amount in excess of €1,000 per annum.

**“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 Collateral 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.

**“Ongoing Expense Excess Amount”** means, on any Payment Date, an amount equal to the excess, if any, of (i) the sum of the Senior Expenses Cap and the Balance of the Expense Reserve Account as of the immediately preceding Determination Date, over (ii) the sum of (without duplication) (x) all amounts paid pursuant to paragraph and (B) and (C) of Condition 3(c)(i) (*Application of Interest Proceeds*) on such Payment Date plus (y) all Trustee Fees and Expenses and Administrative Expenses paid during the related Due Period.

**“Ongoing Expense Reserve Amount”** means, on any Payment Date, an amount equal to the lesser of (i) the Ongoing Expense Reserve Ceiling and (ii) the Ongoing Expense Excess Amount, each as at such Payment Date.

**“Ongoing Expense Reserve Ceiling”** means, on any Payment Date, the excess, if any, of €150,000 over the amount then on deposit in the Expense Reserve Account without giving effect to any deposit thereto on such Payment Date pursuant to paragraph (D) of Condition 3(c)(i) (*Application of Interest Proceeds*).

**“Optional Redemption”** means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

**“Ordinary Resolution”** means an ordinary resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

**“Other Plan Law”** means any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

**“Outstanding”** means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class issued, as further defined in the Trust Deed.

**“Par Value Ratio”** means the Class A/B Par Value Ratio, the Class C Par Value Ratio, the Class D Par Value Ratio or the Class E Par Value Ratio (as applicable) and the Class F Par Value Ratio.

**“Par Value Test”** means the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test or the Class E Par Value Test (as applicable).

**“Partial PIK Obligation”** means any Collateral Debt Obligation with respect to which under the related underlying instruments (i) a portion of the interest due thereon is required to be paid in cash on each payment date therefor and is not permitted to be deferred or capitalised (which portion will at least be equal to EURIBOR or the applicable index with respect to which interest on such Collateral Debt Obligation is calculated plus, in the case of any Restructured Obligation, 1.5 per cent. (or, in the case of a Fixed Rate Collateral Debt Obligation, at least equal to the forward swap rate for a designated maturity equal to the scheduled maturity of such Collateral Debt Obligation plus, in the case of any Restructured Obligation, 1.5 per cent.)) and (ii) the issuer thereof or obligor thereon may defer or capitalise the remaining portion of the interest due thereon.

**“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 Collateral 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.

**“Paying Agent”** means each of the Principal Paying Agent and any additional or further paying agent appointed under the Agency Agreement.

**“Payment Account”** means the non-interest bearing account described as such in the name of the Issuer held with the Account Bank to which amounts shall be transferred by the Account Bank on the instructions of the Collateral Administrator on the Business Day prior to each Payment Date out of certain of the other Accounts in accordance with Condition 3(i) (*Accounts*) out of which the amounts required to be paid on each Payment Date pursuant to the Priorities of Payments shall be paid.

**“Payment Date”** means 22 January and 22 July in each year commencing on 22 July 2015, up to and including the Maturity Date and any Redemption Date (in connection with a redemption of the Rated Notes in whole but not in part pursuant to the Conditions) provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

**“Payment Date Report”** means the report defined as such in the Collateral Management Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer and made available via a secured website currently located at <https://gctinvestorreporting.bnymellon.com> which shall be accessible to the Issuer, the Trustee, the Collateral Manager, the Hedge Counterparties, the Placement Agent, the Registrar, each Hedge Counterparty, the Liquidity Facility Provider, any Noteholder and the Rating Agencies by way of a unique password which, in the case of each Noteholder, may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes, not later than the Business Day preceding the related Payment Date.

**“Permitted Use”** means, with respect to: (a) any Contribution received into the Contributions Account, (b) as determined by the Collateral Manager, any amounts in respect of Collateral Management Fees deferred by the Collateral Manager in accordance with the Collateral Management Agreement; or (c) proceeds from the issue of additional Subordinated Notes in accordance with Condition 17 (*Additional Issuance*), any of the following uses: (i) the transfer of the applicable portion of such amount to the Interest Account for application as Interest Proceeds; (ii) the transfer of the application portion of such amount to the Principal Account for application as Principal Proceeds; (iii) the repurchase of Rated Notes of any Class through a tender offer, in the open market, or in privately negotiated transaction(s) in accordance with Condition 7(k) (*Purchase*) (in each case, subject to applicable law); and (iv) subject to the limitations in the Transaction

Documents with respect to Margin Stock, the purchase of one or more Collateral Enhancement Debt 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.

**“PIK Obligation”** means any Collateral Debt Obligation (other than a Partial PIK Obligation) which is a security (or other debt obligation), the terms of which permit the deferral of the payment of interest thereon, including without limitation by way of capitalising interest thereon provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Obligations.

**“Placement Agreement”** means the notes placement agreement between the Issuer and the Placement Agent.

**“Portfolio”** means the Collateral Debt Obligations, Collateral Enhancement Debt Obligations, Exchanged Security, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

**“Portfolio Company”** means any company that is controlled by the Collateral Manager, an Affiliate thereof, or an account, fund, client or portfolio established and controlled by the Collateral Manager or an Affiliate thereof.

**“Portfolio Profile Tests”** means the Portfolio Profile Tests each as defined in the Collateral Management Agreement.

**“Post-Acceleration Priority of Payments”** means the priority of payments set out in Condition 11 (*Enforcement*).

**“Prefunded Commitment”** means, with respect to the Liquidity Facility Provider and as of any date of determination, the amount standing to the credit of the Prefunded Commitment Account (other than amounts in respect of interest) on behalf of the Liquidity Facility Provider as of such date.

**“Prefunded Commitment Account”** means the account of the Issuer held with the Account Bank into which the Liquidity Facility Provider is required to pay any Prefunded Commitment in accordance with the terms of the Liquidity Facility Agreement.

**“Prefunded Commitment Utilisation”** means a drawing by the Issuer of the Prefunded Commitment in accordance with the terms of the Liquidity Facility Agreement.

**“Presentation Date”** means a day which (subject to Condition 12 (*Prescription*)):

- (i) is a Business Day;
- (ii) 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
- (iii) is a Business Day in which the account specified by the payee is open.

**“Primary Market”** means, in respect of a Collateral Debt Obligation, the Issuer (or the Collateral Manager on the Issuer’s behalf) entered into a binding commitment to purchase such Collateral Debt Obligation within six months of the date of issue of such Collateral Debt Obligation and in the case of a Collateral Debt Obligation which is a Restructured Obligation, within six months of the relevant Restructuring Date.

**“Principal Account”** means the interest bearing account described as such in the name of the Issuer held with the Account Bank.

**“Principal Amount Outstanding”** means in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, which, in the case of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, shall include Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights or the right to give directions or instructions attributable to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

**“Principal Balance”** means, with respect to any Collateral Debt Obligation, Eligible Investment, Collateral Enhancement Debt Obligation or Exchanged Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation), provided however that:

- (i) the Principal Balance of any Revolving Obligation and Delayed Drawdown Collateral Debt Obligation as of any date of determination, shall be the outstanding principal amount of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, plus any undrawn commitments that have not been irrevocably cancelled with respect to such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation;
- (ii) the Principal Balance of each Exchanged Security and each Collateral Enhancement Debt Obligation, shall be deemed to be zero;
- (iii) the Principal Balance of any Non-Euro Obligation shall be:
  - (A) in the case of an Asset Swap Obligation, the Euro notional amount of the Asset Swap Transaction entered into in respect thereof; or
  - (B) in the case of an Unhedged Collateral Debt Obligation:
    - (1) if such Unhedged Collateral Debt Obligation was purchased on the Primary Market, is denominated in a Qualifying Unhedged Obligation Currency and has been an Unhedged Collateral Debt Obligation for less than 90 calendar days since the settlement date thereof, the product of (i) prior to the settlement date, 100 per cent. or after the settlement date, 50 per cent. of the principal amount of such Unhedged Collateral Debt Obligation and (ii) the Applicable Exchange Rate; and
    - (2) in respect of any other Unhedged Collateral Debt Obligation, zero;
  - (C) provided that, in respect of clause (iii)(B)(1) above,
    - (1) if the Unhedged Aggregate Principal Balance is greater than 2.5 per cent. of the Aggregate Collateral Balance, the Principal Balance of all Unhedged Collateral Debt Obligations calculated in accordance with (iii)(B)(1) above shall be multiplied by 2.5 per cent. of the Aggregate Collateral Balance and divided by the Unhedged Aggregate Principal Balance; and
    - (2) the Principal Balance of each Unhedged Collateral Debt Obligation shall be deemed to be zero if (after giving effect to the purchase of any unsettled Unhedged Collateral Debt Obligation and calculating the principal balance thereof in accordance with the provisions of the Principal Balance for Unhedged Collateral Debt Obligations) the Aggregate Collateral Balance is lower than the Reinvestment Target Par Amount;

- (iv) the Principal Balance of any cash shall be the amount of such cash, provided that if such cash amount is in a currency other than Euro, the cash amount shall be the amount in Euro calculated by reference to the Applicable Exchange Rate; and
- (v) if in respect of any Corporate Rescue Loan either (A) (x) no Moody's Rating is available or (y) no credit estimate assigned to it by Moody's, in each case, within 90 days 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 its Moody's Collateral Value unless and until a Moody's Rating or credit estimate is available or assigned by Moody's or (B) (x) no Fitch Rating is available or (y) no credit estimate assigned to it by Fitch, in each case, within 90 days 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 its Fitch Collateral Value unless and until a Fitch Rating or credit estimate is available or assigned by Fitch, provided that if both paragraphs (A) and (B) apply then the Principal Balance of such Corporate Rescue Loan shall be the lower of the two.

**"Principal Proceeds"** means all amounts paid or payable into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*).

**"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 Payments"** means:

- (i) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption following Note Tax Event*) or (iii) following the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice (actual or deemed), such Acceleration Notice has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Proceeds Priority of Payments and in the case of Principal Proceeds, the Principal Proceeds Priority of Payments; and
- (ii) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) or following the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice (actual or deemed), such Acceleration Notice has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

**"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:

- (i) 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
- (ii) 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.

**"Proposed Collateral Debt Obligation"** means an obligation which has been identified by the Collateral Manager for inclusion in the Portfolio.



**“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 and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account. Any accrued interest on Collateral Debt Obligations which the Issuer is paying to the Warehouse Providers on the Issue Date in accordance with the Warehouse Arrangements shall also constitute Purchased Accrued Interest when such interest amounts are received by the Issuer in respect of such Collateral Debt Obligations.

**“QIB”** means a Person who is a “qualified institutional buyer” as defined in Rule 144A.

**“QIB/QP”** means a Person who is both a QIB and a QP.

**“Qualified Purchaser”** and **“QP”** mean a Person who is a “qualified purchaser” as defined in Section 2(a)(51)(A) of the Investment Company Act.

**“Qualifying Country”** means each of Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Liechtenstein, Luxembourg, Ireland, Norway, Portugal, Spain, Sweden, Switzerland, the United States or the United Kingdom having a foreign currency issuer credit rating, at the time of acquisition of the relevant Eligible Investment, of at least “Aa3” by Moody’s and “AA-” by Fitch or any other country which has been approved, at the time of acquisition of the relevant Eligible Investment, as a Qualifying Country by the Rating Agencies in writing.

**“Qualifying Currency”** means Euro, Sterling, U.S. Dollars, Czech Koruna, Danish Krone, Norwegian Krone, Swedish Krona, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swiss Francs, Japanese Yen, Polish Zloty or any other currency in respect of which Rating Agency Confirmation has been received.

**“Qualifying Unhedged Obligation Currency”** means Sterling, U.S. Dollars, Danish Krone, Norwegian Krone, Swedish Krona, Swiss Francs.

**“Rated Notes”** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Class F Notes.

**“Rating Agencies”** means Fitch and Moody’s, provided that if at any time Fitch and/or Moody’s ceases to provide rating services, **“Rating Agencies”** shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer (a **“Replacement Rating Agency”**) and **“Rating Agency”** means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to **“Rating Agencies”** shall be construed accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

**“Rating Agency Confirmation”** means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in

respect of any action or determination if such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or if such Rating Agency announces or confirms in writing to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring Rating Agency Confirmation under any Transaction Documents or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

**“Rating Confirmation Plan”** means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, pursuant to and in accordance with the Collateral Management Agreement.

**“Rating Requirement”** means:

- (i) in the case of the Account Bank:
    - (A) a long-term issuer default rating of at least “A” and a short-term issuer default rating of at least “F1” by Fitch; and
    - (B) a long-term senior unsecured issuer credit rating of at least “A3” by Moody’s; and
  - (ii) in the case of the Custodian, a long-term senior unsecured issuer credit rating of at least “A3” by Moody’s;
  - (iii) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement; and
  - (iv) in the case of the Liquidity Facility Provider:
    - (A) a long-term issuer default rating of at least “A” and a short-term issuer default rating of at least “F1” by Fitch; and
    - (B) a long-term senior unsecured issuer credit rating of at least “A2” by Moody’s; and
  - (v) 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; or
- in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes, and (y) if any of the requirements are not satisfied, by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

**“Recalcitrant Noteholder”** means a Noteholder (which may include a nominee or beneficial owner of a Note for these purposes) who does not comply with the Issuer’s request for information or a waiver of law prohibiting disclosure of such information to a taxing authority to enable the Issuer to achieve FATCA Compliance.

**“Receiver”** has the meaning given thereto in Condition 10(a)(vi) (*Insolvency Proceedings*).

**“Record Date”** means the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note.

**“Redemption Date”** means each date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or, if such day is not a Business Day, the next following Business Day or the date on which the Notes of such Class are accelerated pursuant to Condition 10(a) (*Note Events of Default*).

**“Redemption Determination Date”** has the meaning given thereto in Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*).

**“Redemption Notice”** means a redemption notice in the form available from any of the Transfer Agents 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:

- (i) any Subordinated Note, such Subordinated Note’s pro rata share (calculated in accordance with paragraph (DD) of Condition 3(c)(i) (*Application of Interest Proceeds*), paragraph (S) of Condition 3(c)(ii) (*Application of Principal Proceeds*) and paragraph (AA) of the Post-Acceleration Priority of Payments of the aggregate proceeds of liquidation of the Collateral, or realisation of the security thereover in such circumstances, remaining following application thereof in accordance with the Priorities of Payments; and
- (ii) any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption and in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, any Deferred Interest and any interest accrued thereon,

*provided that*, in each case, the Redemption Price for a Class may be such lower amount as may be agreed by the Noteholders of such affected Class acting by way of a Unanimous Resolution.

**“Redemption Threshold Amount”** means the aggregate of all amounts which would be due and payable on redemption of the Rated Notes on the scheduled Redemption Date pursuant to Condition 11(b) (*Enforcement*) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

**“Reference Banks”** has the meaning given thereto in paragraph (B) of Condition 6(e)(i) (*Floating Rate of Interest*).

**“Refinancing”** has the meaning given to it in Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

**“Refinancing Costs”** means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses are not Administrative Expenses and have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

**“Refinancing Proceeds”** means the cash proceeds from a Refinancing.

**“Register”** means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency Agreement.

**“Regulation S”** means Regulation S under the Securities Act.

**“Regulation S Notes”** means the Notes offered for sale to non-U.S. Persons in offshore transactions outside of the United States in reliance on Regulation S.

**“Reinvestment Criteria”** has the meaning given to it in the Collateral Management Agreement.

**“Reinvestment Period”** means the period from and including the Issue Date up to and including the earliest of: (i) the last Business Day of the Due Period preceding the Payment Date scheduled to fall on or around 22 January 2019; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that, if such acceleration is by way of delivery of an Acceleration Notice (actual or deemed), such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of*

*Default*)); and (iii) the date on which the Collateral Manager reasonably believes and certifies to the Issuer, the Collateral Administrator, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Debt Obligations in accordance with the Reinvestment Criteria.

**“Reinvestment Target Par Amount”** means, as of any date of determination, the Target Par Amount minus: (i) the amount of any reduction in the Principal Amount Outstanding of the Notes (other than repayment of any Deferred Interest) and plus (ii) the Principal Amount Outstanding of any additional Notes issued pursuant to Condition 17 (*Additional Issuance*), or, if greater, the aggregate amount of Principal Proceeds that result from the issuance of such additional Notes.

**“Replacement Asset Swap Transaction”** means any Asset Swap Transaction entered into by the Issuer, or the Collateral Manager on its behalf, in accordance with the provisions of the Collateral Management Agreement upon termination of an existing Asset Swap Transaction on substantially the same terms as such terminated Asset Swap Transaction, that preserves for the Issuer the economic effect of the terminated Asset Swap Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

**“Replacement Interest Rate Hedge Transaction ”** means any Interest Rate Hedge Transaction entered into by the Issuer, or the Collateral Manager on its behalf, in accordance with the provisions of the Collateral Management Agreement upon termination of an existing Interest Rate Hedge Transaction on substantially the same terms as such terminated Interest Rate Hedge Transaction, that preserves for the Issuer the economic effect of the terminated Interest Rate Hedge Transaction, subject to such amendments thereto as may be agreed by the Collateral Manager, acting on behalf of the Issuer.

**“Replacement Liquidity Facility”** means a replacement liquidity facility granted pursuant to a liquidity facility agreement in, or substantially in, the same form as the Liquidity Facility Agreement entered into at any time following the Liquidity Facility Commitment Period End Date between, amongst others, the Issuer, the Collateral Manager and a liquidity facility provider that satisfies the Rating Requirement.

**“Report”** means each Monthly Report and Payment Date Report.

**“Reporting Delegate”** means a Hedge Counterparty or third party that undertakes to provide delegated reporting in connection with certain derivative transaction reporting obligations of the Issuer.

**“Reporting Delegation Agreement”** means an agreement 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.

**“Required Percentage”** means over 50 per cent.

**“Resolution”** means any Ordinary Resolution, Extraordinary Resolution or Unanimous Resolution, as the context may require.

**“Restricted Party”** means any Person that is (i) listed on, or owned or controlled by a person listed on, a Sanctions List, (ii) a government of a Sanctioned Country, (iii) an agency or instrumentality of, or an entity directly or indirectly owned or controlled by, a government of a Sanctioned Country, (iv) resident or located in, operating from, or incorporated under the laws of, a Sanctioned Country or (v) to the best knowledge of the Issuer, the Collateral Manager or the Sub-Manager, otherwise a target of Sanctions.

**“Restricted Trading Period”** means the period during which: (a) the Fitch Rating of the Class A Notes or the Class B Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date; or (b) the Moody’s Rating of the Class A Notes or the Class B Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date; provided that in each case that such period shall not constitute a Restricted Trading Period if the Class A Notes and the Class B Notes are no longer outstanding; provided that such period (1) will not be a Restricted Trading Period if (a) the Aggregate Principal Balance of all Collateral Debt Obligations and Eligible Investments representing Principal Proceeds is at least equal to the Reinvestment Target Par Amount, (b) each Collateral Quality Test

is satisfied and (c) each of the Coverage Tests is satisfied; (2) such period will not be a Restricted Trading Period (so long as such Moody's rating or Fitch rating, as applicable, has not been further downgraded, withdrawn or put on watch for potential downgrade) upon the direction of the Issuer with the consent of the Controlling Class acting by Ordinary Resolution, which direction shall remain in effect until the earlier of (i) a further downgrade or withdrawal of such Moody's Rating or Fitch Rating, as applicable, that, disregarding such direction, would cause the conditions set forth above to be true and (ii) a subsequent direction to the Issuer (with a copy to the Trustee and the Collateral Administrator) by the Controlling Class acting by way of Ordinary Resolution declaring the beginning of a Restricted Trading Period; and (3) no Restricted Trading Period will restrict any sale of a Collateral Debt Obligation entered into by the Issuer at a time when a Restricted Trading Period was not in effect, regardless of whether such sale has settled.

**"Restructured Obligation"** means a Collateral Debt Obligation which has been restructured (whether effected by way of an amendment to the terms of such Collateral Debt Obligation (including but not limited to an extension of its maturity) or by way of substitution of new obligations and/or change of Obligor) and which satisfies the Restructured Obligation Criteria as at its applicable Restructuring Date provided that the failure of a Restructured Obligation to satisfy the Restructured Obligation Criteria at any time after the applicable Restructuring Date shall not cause such obligation to cease to constitute a Restructured Obligation unless it is subsequently restructured again, in which case such obligation shall constitute a Restructured Obligation provided it satisfies the Restructured Obligation Criteria as at its subsequent Restructuring Date.

**"Restructured Obligation Criteria"** means the restructured obligation criteria specified in the Collateral 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 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 Event"** means an event which occurs if at any time the Retention Holder sells, hedges or otherwise mitigates its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted (a) under the Retention Letter, to a successor collateral manager upon a removal of the Retention Holder as the Collateral Manager or (b) in accordance with the Retention Requirements.

**"Retention Holder"** means CVC Credit Partners Group Limited in its capacity as retention holder and any successor, assign or transferee to the extent permitted under, the Retention Letter and the Retention Requirements and notified in writing to the Trustee, the Collateral Administrator and the Issuer.

**"Retention Letter"** means the letter entered into between the Issuer, the Retention Holder, the Collateral Administrator, the Trustee and Goldman Sachs International in its capacity as sole arranger dated on or about 17 December 2014 (as may be amended, supplemented or replaced in accordance with the Retention Requirements) and notified in writing to the Trustee, the Collateral Administrator and the Issuer.

**"Retention Notes"** means the Notes of each Class subscribed for by the Retention Holder on the Issue Date and comprising as at the Issue Date, 5 per cent of the nominal value of each such Class.

**"Retention Requirements"** means together, the CRR Retention Requirements and the AIFMD Retention Requirements.

**"Revolving Obligation"** means any Collateral Debt Obligation (other than a Delayed Drawdown Collateral Debt Obligation) that is a loan (including, without limitation, revolving loans, funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that pursuant to the terms of its Underlying Instruments may require one or more future advances to be made to the borrower by the Issuer; but any such Collateral Debt

Obligation will be a Revolving Obligation only until all commitments to make advances to the borrower expire or are terminated or reduced to zero.

**“Rule 144A”** means Rule 144A under the Securities Act.

**“Rule 144A Notes”** means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

**“Rule 17g-5”** means Rule 17g-5 under the Exchange Act as may be amended or replaced.

**“S&P”** means Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

**“S&P Issuer Credit Rating”** has the meaning given to it in the Collateral Management Agreement.

**“S&P Rating”** has the meaning given to it in the Collateral Management Agreement.

**“Sale Proceeds”** means:

- (i) all proceeds received upon the sale of any Collateral Debt Obligation (save for any Asset Swap Obligation), including proceeds received upon the sale of any Unhedged Collateral Debt Obligation converted into Euro at the Applicable Exchange Rate, but excluding any sale proceeds representing accrued interest designated as Interest Proceeds, by the Collateral Manager provided that no such designation may be made in respect of: (1) Purchased Accrued Interest; or (2) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (3) proceeds that represent deferred interest accrued in respect of any PIK Obligation; or (4) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until (x) such amounts represent Defaulted Obligation Excess Amounts and (y) any Purchased Accrued Interest in relation to such Defaulted Obligation has been paid, together with all proceeds received upon the sale of any Collateral Enhancement Debt Obligation or Exchanged Security;
- (ii) in the case of any Asset Swap Obligation, all amounts in Euro (or other currencies if applicable) payable to the Issuer by the applicable Asset Swap Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Debt Obligation as described in paragraph (i) above but amended to apply to such Asset Swap Obligation, under the related Asset Swap Transaction (after netting against any Asset Swap Termination Payment (determined without regard to the exclusions of unpaid amounts and Asset Swap Issuer Principal Exchange Amounts set forth in the definition thereof) payable by the Issuer in such circumstances); and
- (iii) in the case of any Collateral Enhancement Debt Obligation, all proceeds and any fees received upon the sale of such Collateral Enhancement Debt Obligation,

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 sale, disposition or termination of such Collateral Debt Obligation.

**“Sanctioned Country”** means any country or other territory subject to a general export, import, financial or investment embargo under any Sanctions, which, as of the date of this Deed, include Cuba, Iran, North Korea, Sudan and Syria.

**“Sanctions”** means economic or financial sanctions, trade embargoes or other comprehensive prohibitions against transaction activity pursuant to anti-terrorism laws or export control laws imposed, administered or enforced from time to time by any Sanctions Authority.

**“Sanctions Authority”** means (i) the United States, (ii) the United Nations Security Council, (iii) the European Union, (iv) the United Kingdom or (v) the respective governmental institutions of any of the foregoing including, without limitation, Her Majesty’s Treasury, the Office of Foreign Assets Control of the

US Department of the Treasury, the US Department of Commerce, the US Department of State and any other agency of the US government.

**“Sanctions List”** means any of the lists of specifically designated nationals or designated or sanctioned individuals or entities (or equivalent) issued by any Sanctions Authority, each as amended, supplemented or substituted from time to time.

**“Scheduled Periodic Asset Swap Counterparty Payment”** means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the Issuer by the applicable Asset Swap Counterparty pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Receipts, any Asset Swap Replacement Receipts and any Asset Swap Counterparty Principal Exchange Amounts.

**“Scheduled Periodic Asset Swap Issuer Payment”** means, with respect to any Asset Swap Transaction, the periodic amounts in the nature of coupon (and not principal) scheduled to be paid to the applicable Asset Swap Counterparty by the Issuer pursuant to the terms of such Asset Swap Transaction, excluding any Asset Swap Termination Payments, any Asset Swap Replacement Payments and any Asset Swap Issuer Principal Exchange Amounts.

**“Scheduled Periodic Interest Rate Hedge Counterparty Payment”** means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Interest Rate Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Receipt.

**“Scheduled Periodic Interest Rate Hedge Issuer Payment”** means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Interest Rate Hedge Termination Payment.

**“Scheduled Principal Proceeds”** means:

- (i) in the case of any Collateral Debt Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments); and
- (ii) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Termination Payments transferred from the Hedge Termination Account into the Principal Account.

**“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 payment of a debt or the fulfilment of a contractual obligation.

**“Secured Party”** means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, the Placement Agent, the Collateral Manager, the Trustee, any Receiver or other Appointee, the Agents, the Interim Account Bank, each Hedge Counterparty, the Corporate Services Provider, the Retention Holder, and the Liquidity Facility Provider and **“Secured Parties”** means any two or more of them as the context so requires.

**“Secured Senior RCF Percentage”** means in relation to a Senior Secured Bond or a Senior Secured Loan, 15 per cent. (or such higher percentage in respect of which Rating Agency Confirmation is obtained).

**“Securities Act”** means the United States Securities Act of 1933, as amended.

**“Selling Institution”** means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement; or (ii) an Assignment is acquired.

**“Semi-Annual Obligations”** means Collateral Debt Obligations which, at the relevant date of measurement, pay interest less frequently than quarterly but which are not Annual Obligations.

**“Senior Collateral Management Fee”** means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.20 per cent. per annum of the Aggregate Collateral Balance as at the beginning of the Due Period (exclusive of any value added tax) immediately preceding such Payment Date as determined by the Collateral Administrator (calculated on the basis of a 360-day year consisting of twelve 30-day months).

**“Senior Expenses Cap”** means, in respect of each Payment Date and the Due Period in respect of each Payment Date the sum of:

- (i) €350,000 per annum (pro-rated for the Due Period relating to such Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and
- (ii) 0.03 per cent. per annum (pro-rated for the Due Period relating to such Payment Date 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 such Payment Date,

provided however that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the immediately preceding Payment Date or during the related Due Period is less than the stated Senior Expenses Cap in respect of such Payment Date and the related Due Period, the amount of such shortfall will be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such shortfall may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

**“Senior Loan”** means a Collateral Debt Obligation that is a Senior Secured Loan, an Senior Unsecured Obligation or a Second Lien Loan.

**“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 Collateral Manager in its reasonable judgment, or a Participation therein, provided that:

- (i) it is secured by a valid and perfected security interest over (x) assets (including any intellectual property rights) of the Obligor and/or the Obligor’s group 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 (y) at least 80.00 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and
- (ii) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (i) above provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor’s senior debt.

**“Senior Secured Loan”** means a Collateral Debt Obligation (which may be a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation) that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable judgment or a Participation therein, provided that:

- (i) it is secured by a valid and perfected security interest over (x) assets (including any intellectual property rights) of the Obligor and/or the Obligor’s group 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 (y) at least 80.00 per cent. of the equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

- (ii) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (i) above provided that (x) a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the Obligor may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt and (y) the limitation set forth in this clause (ii) shall not apply with respect to trade claims, capitalized leases or similar obligations.

**"Senior Unsecured Obligation"** means a Collateral Debt Obligation that:

- (i) is a loan obligation senior to any unsecured, subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable judgment; and
- (ii) is not secured (x) by assets of the Obligor or guarantor thereof if and to the extent that the granting of security over assets is permissible under applicable law or (y) by 80.00 per cent. of the equity interests in the shares of an entity owning such fixed assets.

**"Similar Law"** means any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to any federal, state, local non-U.S. or other law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

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

**"Special Redemption"** has the meaning given to it in Condition 7(d) (*Special Redemption*).

**"Special Redemption Amount"** has the meaning given to it in Condition 7(d) (*Special Redemption*).

**"Special Redemption Date"** has the meaning given to it in Condition 7(d) (*Special Redemption*).

**"Spot Rate"** means with respect to any conversion of any currency into Euro or, as the case may be, of Euro into any other relevant currency, the relevant spot rate of exchange quoted by the Collateral Administrator on the date of calculation.

**"Step-Down Coupon Security"** means a security: (i) which does not pay interest over a specified period of time ending on its maturity, but which does provide for the payment of interest before such specified period; or (ii) the interest rate of which decreases over a specified period of time other than due to the decrease of the floating rate index applicable to such security.

**"Step-Up Coupon Security"** means a security: (i) which does not pay interest over a specified period of time ending prior to its maturity, but which does provide for the payment of interest after the expiration of such specified period; or (ii) the interest rate of which increases over a specified period of time other than due to the increase of the floating rate index applicable to such security.

**"Sterling", or "GBP"** means pounds sterling, being the lawful currency of the United Kingdom.

**"Structured Finance Security"** means any debt security which is secured directly, or represents the ownership of, a pool of consumer receivables, auto loans, auto leases, equipment leases, home or commercial mortgages, corporate debt or sovereign debt obligations or similar assets, including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

**“Subordinated Collateral Management Fee”** means the fee payable to the Collateral Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Collateral Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.30 per cent. per annum of the Aggregate Collateral Balance as at the beginning of the Due Period (exclusive of any value added tax) immediately preceding such Payment Date as determined by the Collateral Administrator (calculated on the basis of a 360-day year consisting of twelve 30-day months).

**“Subordinated Noteholders”** means the holders of any Subordinated Notes from time to time.

**“Sub-Registrar”** means CVC Credit Partners Group Limited.

**“Subsequent Drawdown”** means the amounts that the Issuer has drawn in accordance with the terms of the Liquidity Facility to refinance any Initial Drawdown or Subsequent Drawdown.

**“Substitute Collateral Debt Obligation”** means a Collateral Debt Obligation purchased in substitution for a whole or part of a previously held Collateral Debt Obligation pursuant to the terms of the Collateral Management Agreement and which satisfies the Eligibility Criteria and the purchase of which satisfies the Reinvestment Criteria.

**“Swap Tax Credit”** 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 pursuant to the relevant Hedge Agreement.

**“Swapped Non-Discount Obligation”** means 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 (the “Original Obligation”) that was not a Discount Obligation at the time of its purchase and which will not be considered a Discount Obligation so long as such purchased Collateral Debt Obligation:

- (i) is purchased or committed to be purchased within 20 Business Days of such sale of the Original Obligation;
- (ii) has a Moody’s Rating no lower than the Moody’s Rating of the Original Obligation;
- (iii) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation; and
- (iv) is purchased at a price not less than 50 per cent. of (x) in the case of any Collateral Debt Obligation other than an Unhedged Collateral Debt Obligation, the Principal Balance thereof, or (y) in the case of any Unhedged Collateral Debt Obligation, the Unhedged Principal Balance thereof,

*provided however that:*

- (i) to the extent the Aggregate Principal Balance of all Swapped Non-Discount Obligations held by the Issuer as of the relevant date of determination exceeds 5.0 per cent. of the Aggregate Collateral Balance (excluding the Principal Balance of each Defaulted Obligation), such excess will constitute Discount Obligations;
- (ii) to the extent the cumulative aggregate Principal Balance of all Swapped Non-Discount Obligations acquired by the Issuer on or after the Issue Date (for the avoidance of doubt, whether or not each such Swapped Non-Discount Obligation is currently held by the Issuer) exceeds 10.0 per cent. of the Target Par Amount, such excess will constitute Discount Obligations;
- (iii) in the case of a Collateral Debt Obligation that is an interest (including a Participation) in a Floating Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 90 per cent.;

- (iv) in the case of any Collateral Debt Obligation that is not an interest in a Floating Rate Collateral Debt Obligation, such Collateral Debt Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Debt Obligation on each day during any period of 30 consecutive days since the acquisition of such Collateral Debt Obligation equals or exceeds 85 per cent.; and
- (v) in determining which of the Swapped Non-Discount Obligations shall be included in the excess pursuant to sub-paragraphs (i) or (ii) above, Swapped Non-Discount Obligations in respect of which the Issuer entered into a binding commitment to purchase earlier in time shall be deemed to constitute the excess.

**“Synthetic Security”** means a security or swap transaction (other than a letter of credit or a Participation) on which payments of interest or principal reference an obligation or the credit performance of a reference obligation.

**“Target Par Amount”** means €388,600,000.

**“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).

**“Third Party Indemnity Receipts”** has the meaning given to it in Condition 3(j)(xi) (*Expense Reserve Account*).

**“Transaction Documents”** means the Trust Deed (including these Conditions), the Agency Agreement, the Placement Agreement, the Euroclear Security Agreement, the Collateral Management Agreement, the Collateral Sub-Management Agreement, any Hedge Agreements, the Retention Letter, the Collateral Acquisition Agreements, the Participation Agreements, the Corporate Services Agreement, the Liquidity Facility Agreement, the Interim Account Bank Agreement, any Reporting Delegation Agreement and any document supplemental thereto or issued in connection therewith.

**“Trustee Fees and Expenses”** means the costs, fees and expenses and all other liabilities (including by way of indemnity and including, without limitation, legal fees) and all other amounts payable to the Trustee or any Appointee pursuant to the Trust Deed or any other Transaction Document from time to time plus any applicable value added tax thereon payable under the Trust Deed or any other Transaction Document, including indemnity payments and any fees, costs, charges and expenses properly incurred by the Trustee in respect of any Refinancing.

**“Unanimous Resolution”** means a unanimous resolution as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

**“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 Obligation or Delayed Drawdown Collateral Debt Obligation, the excess, if any, of (i) the Commitment Amount under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, as the case may be, at such time over (ii) the Funded Amount thereof at such time.

**“Unfunded Revolver Reserve Account”** means the account of the Issuer established and maintained with the Account Bank pursuant to the Agency Agreement, amounts standing to the credit of which, subject to certain conditions, may be used to fund in full the amount of any unfunded commitments or unfunded liabilities from time to time, in relation to Delayed Drawdown Collateral Debt Obligations and Revolving Obligations.

**“Unhedged Aggregate Principal Balance”** means the sum of the principal amount, converted into Euros at the Spot Rate, of each Unhedged Collateral Debt Obligation which (i) was purchased on the Primary Market and (ii) has been an Unhedged Collateral Debt Obligation for less than 90 calendar days since the settlement date thereof.

**“Unhedged Collateral Debt Obligation”** means a Non-Euro Obligation which is not an Asset Swap Obligation.

**“Unhedged Fixed Rate Collateral Debt Obligation”** means Fixed Rate Collateral Debt Obligations, 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.

**“Unhedged Principal Balance”** means, in respect of an Unhedged Collateral Debt Obligation, its principal amount converted into Euros at the Spot Rate.

**“Unsaleable Asset”** means any (a) (i) Defaulted Obligation, (ii) Exchanged Security, (iii) obligation received in connection with an Offer, (iv) or other security or debt obligation that is part of the Collateral in respect of which the Issuer has not received a payment in cash during the preceding 12 months or (b) asset, claim or other property identified by the Collateral Manager as having a market value of less than €1,000, if in the case of (a) or (b) the Collateral Manager certifies to the Trustee that it has made reasonable efforts to dispose of such obligation for at least 90 days and, in its commercially reasonable judgement, such obligation is not expected to be saleable for the foreseeable future.

**“Unscheduled Principal Proceeds”** means (a) with respect to any Collateral Debt Obligation (other than an Asset Swap Obligation), principal proceeds (in the case of any Unhedged Collateral Debt Obligations converted into Euro at the Applicable Exchange Rate) received by the Issuer prior to the Collateral Debt Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Debt Obligation) 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 (i) any related Asset Swap Termination Receipts but less any related Asset Swap Termination Payment (to the extent any are payable and in each case determined without regard to the exclusions of unpaid amounts and Asset Swap Counterparty Principal Exchange Amounts or (as applicable) Asset Swap Issuer Principal Exchange Amounts set forth in the definitions thereof) and only to the extent not required for application towards the cost of entry into a Replacement Asset Swap Transaction and (ii) any related Asset Swap Replacement Receipts but only to the extent not required for application towards any related Asset Swap Termination Payments.

**“Unused Proceeds Account”** means an interest bearing account described as such in the name of the Issuer held with the Account Bank.

**“U.S. Dollars”**, or **“U.S.\$”**, means United States dollars, being the lawful currency of the United States of America.

**“U.S. Investment Restrictions”** means the restrictions set out in Schedule 10 of the Collateral Management Agreement.

**“U.S. Person”** means a **“U.S. person”** as such term is defined under Regulation S.

**“Warehouse Arrangements”** means the financing arrangement entered into by the Issuer prior to the Issue Date to finance the acquisition of Collateral Debt Obligations prior to the Issue Date.

**“Weighted Average Life”** has the meaning given to it in the Collateral Management Agreement.

**“Weighted Average Life Test”** has the meaning given to it in the Collateral Management Agreement.

**“Written Resolution”** means any Resolution of the Noteholders of the relevant Class in writing, as described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and as further described in, and as defined in, the Trust Deed.

**“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.

## **2. Form and Denomination, Title, Transfer and Exchange**

### **(a) *Form and Denomination***

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

The Issuer shall procure that an up to date sub-register (the **“Sub-Register”**) will be kept by the Sub-Registrar in Jersey. The Agency Agreement shall set out the information that will be recorded by the Sub-Registrar in the Sub-Register and will require that the Registrar provide such information to the Sub-Registrar.

### **(b) *Title to the Registered Notes***

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

### **(c) *Transfer***

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or any Transfer Agent of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

### **(d) *Delivery of New Certificates***

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be 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) (*Delivery of New Certificates*), “Business Day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) ***Transfer Free of Charge***

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant 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 (subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of any Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) ***Forced Transfer of Rule 144A Notes***

If the Issuer determines at any time that a holder of Rule 144A Notes (1) is a U.S. Person and (2) is not a QIB/QP (any such person, a “**Non-Permitted Holder**”), the Issuer shall promptly after determination that such person is a Non-Permitted Holder by the Issuer or a Transfer Agent (and notice by such Transfer Agent to the Issuer, if such Transfer Agent makes the determination), 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 or within the United States to a U.S. Person that is a QIB/QP within 30 days of the date of such notice. If such Non-Permitted Holder fails to effect the transfer within such 30 day period, (a) upon direction from the Issuer or the Collateral 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 or is a QIB/QP and (b) pending such transfer, no further payments will be made in respect of such beneficial interest. 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 Notes 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 to the Non-Permitted Holder 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 the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) ***Forced sale pursuant to FATCA***

Under FATCA, the Issuer will and/or an Intermediary may be required to, among other things, provide certain information about the Noteholders (which may include a nominee or beneficial owner of a Note for these purposes) to a taxing authority. The Issuer expects to require each Noteholder to provide certifications and identifying information about itself and certain of its owners.

The Issuer may force the sale of a Noteholder's Notes in order to achieve FATCA Compliance, 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 achieve FATCA Compliance (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 achieve FATCA Compliance. 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 to the Recalcitrant Noteholder or Noteholder that is a foreign financial institution as defined under FATCA and that is not in compliance with the applicable requirements under FATCA, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Trustee 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 the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Notes to provide any information required under FATCA.

(j) ***Forced Transfer pursuant to ERISA***

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in Title I of ERISA and Section 4975 of the Code (any such Noteholder a "**Non-Permitted ERISA Holder**"), the 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) at a price to be agreed between the Issuer (exercising its sole discretion) and such eligible purchaser at the time of sale, subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Holder will receive the balance, if any.

(k) ***Contributions***

At any time during or after the Reinvestment Period, any Noteholder may (i) make a contribution of cash or (ii) if it is a Subordinated Noteholder, by notice in writing to the Issuer, the Trustee, the Collateral Administrator, the Collateral Manager, designate any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on its Notes in accordance with the Priorities of Payments, to the Issuer (each, a "**Contribution**" and each such Noteholder, a "**Contributor**"). The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion. If a Contribution is

accepted, it will be received into the Contributions Account and applied by the Collateral Manager on behalf of the Issuer as directed by the Contributor at the time such Contribution is made (or, if no direction is given by the Contributor, at the Collateral Manager's reasonable discretion) in accordance with Condition 3(j)(viii) (*Contributions Account*). No Contribution or portion thereof will be returned to the Contributor at any time other than by operation of the Priorities of Payments.

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

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

CM 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 CM Replacement Resolution and any CM Removal Resolution. CM Non-Voting Exchangeable Notes and CM 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 CM Removal Resolution or any CM Replacement Resolution but shall carry a right to vote on and be counted in respect of all other matters in respect of which the CM Voting Notes have a right to vote and be counted.

CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance. CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Any such right to exchange a 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 a duly completed exchange request substantially in the form provided in the Trust Deed, or in such other form as the Trustee, upon the advice of counsel, may deem substantially similar in legal effect (in each case, copies of which are provided to the Trustee as applicable) given by the proposed transferee.

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates at any time may only be held in the form of CM Non-Voting Exchangeable Notes or CM Non-Voting Notes

**3. Status**

(a) ***Status***

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse and Non-Petition*). The Notes of each Class are secured in the manner described in Condition 1(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) ***Relationship Among the Classes***

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A Notes will rank senior to payments of interest on each Payment Date in respect of each other Class; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, but senior in right of payment to payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class C Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes and the Class B Notes, but senior in right of payment to payments of interest on the Class D Notes, the Class E Notes, the



Class F Notes and the Subordinated Notes; payment of interest on the Class D Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes and the Class C Notes, but senior in right of payment to payments of interest on the Class E Notes, the Class F Notes and the Subordinated Notes; payment of interest on the Class E Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, but senior in right of payment to payments of interest on the Class F Notes and the Subordinated Notes; payment of interest on the Class F Notes will be subordinated in right of payment to payments of interest in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, but senior in right of payment to payments of interest on the Subordinated Notes. Payment of interest on the Subordinated Notes will be subordinated in right of payment to payment of interest in respect of the Rated Notes. Interest on the Subordinated Notes shall be paid *pari passu* and without any preference amongst themselves.

No amount of principal in respect of the Class B Notes shall become due and payable until redemption and payment in full of the Class A Notes. No amount of principal in respect of the Class C Notes shall become due and payable until redemption and payment in full of the Class A Notes and the Class B Notes. No amount of principal in respect of the Class D Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes. No amount of principal in respect of the Class E Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. No amount of principal in respect of the Class F Notes shall become due and payable until redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. Subject to the applicability of the Post-Acceleration Priority of Payments, the Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Proceeds Priority of Payments on a *pari passu* basis. Payments on the Subordinated Notes are subordinated to payments on the Rated Notes and other amounts described in the Priorities of Payments and no payments out of Principal Proceeds will be made on the Subordinated Notes until the Rated Notes and other payments ranking prior to the Subordinated Notes in accordance with the Priorities of Payments are paid in full.

(c) ***Priorities of Payments***

The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator in consultation with the Collateral Manager pursuant to the terms of the Collateral Management Agreement on each Determination Date), on behalf of the Issuer (i) on each Payment Date prior to the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); (ii) following the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*), which, if such acceleration is by way of the delivery of an Acceleration Notice (actual or deemed), such Acceleration Notice has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply to Interest Proceeds and Principal Proceeds), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of Payments:

(i) Application of Interest Proceeds

Subject as further provided below, Interest Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

- (A) to the payment of: (i) firstly taxes owing by the Issuer accrued in respect of the related Due Period (including any Irish tax payable in relation to the amounts equal to the minimum profit referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Collateral Administrator and the Trustee, if any (save for any value added tax payable in respect of any Collateral Management Fee or any other tax payable in relation

to any other amount payable to the Secured Parties or to any other party in accordance with the Priorities of Payment); and (ii) secondly the Issuer Profit Amount to be retained by the Issuer, for deposit into the Issuer Irish Account from time to time;

- (B) to the payment of accrued and unpaid Trustee Fees and Expenses, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, provided that, following the occurrence of an Event of Default which is continuing, the Senior Expenses Cap shall not apply in respect of this paragraph;
- (C) to the payment of accrued and unpaid Administrative Expenses in respect of such Due Period in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap less any amounts paid pursuant to item (B) above, provided that, following the occurrence of an Event of Default which is continuing the Senior Expenses Cap shall not apply in respect of this paragraph;
- (D) to the Expense Reserve Account, of an amount equal to the Ongoing Expense Reserve Amount;
- (E) to the payment of any Liquidity Payments due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;
- (F) to the payment:
  - (1) firstly, on a pro rata and pari passu basis (x) to the Collateral Manager of the Senior Collateral Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) except that the Collateral Manager may, in its sole discretion, elect to (x) designate for reinvestment or (y) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (F) (any such amounts, being “**Deferred Senior Collateral Management Amount**”) on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations or to purchase Rated Notes in accordance with Condition 7(k) (*Purchase*) or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations and (b) not be treated as unpaid for the purposes of this paragraph (F) or paragraph (X) below or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (G) through (W) and (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;
  - (2) secondly, to the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees (other than Deferred Senior Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority),
- (G) to the payment on a pro rata and pari passu basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the relevant Non-Euro Hedge Account) and Hedge Termination Payments (other than Defaulted Hedge Termination Payments) (to the extent not paid out of the Hedge Termination Account);

- (H) to the payment on a pro rata and pari passu basis of all Interest Amounts due and payable on the Class A Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class A Notes;
- (I) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;
- (J) if either of the Class A/B Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class A/B Interest Coverage Test, on the Determination Date preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be satisfied (if applicable) if recalculated following such redemption on a proforma basis after giving effect to all payments pursuant to this paragraph (J);
- (K) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (L) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (M) if either of the Class C Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test (if applicable) to be met if recalculated following such redemption on a proforma basis after giving effect to all payments pursuant to this paragraph (M);
- (N) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (O) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (P) if either of the Class D Coverage Tests is not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test (if applicable) to be met if recalculated following such redemption on a proforma basis after giving effect to all payments in priority to this paragraph (P);
- (Q) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class E Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (R) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

- (S) if either of the Class E Coverage Tests are not satisfied on any Determination Date on and after the Effective Date, or in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date and each Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test (if applicable) to be met if recalculated following such redemption on a proforma basis after giving effect to all payments in priority to this paragraph (S);
- (T) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);
- (U) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);
- (V) on the Payment Date following the Effective Date and each Payment Date thereafter to the extent required, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Notes in accordance with the Note Payment Sequence until an Effective Date Rating Event is no longer continuing;
- (W) if, on any Payment Date, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, the Interest Diversion Test has not been met, to the payment to the Principal Account as Principal Proceeds, (i) during the Reinvestment Period, for the acquisition of additional Collateral Debt Obligations (or, if the Collateral Manager determines that it is unable to identify such additional Collateral Debt Obligations that it considers appropriate for such reinvestment, in redemption by way of Special Redemption of the Notes in accordance with the Note Payment Sequence), and (ii) following the Reinvestment Period, in redemption by way of Special Redemption of the Notes in accordance with the Note Payment Sequence, in each case, in an amount (such amount, the “**Required Diversion Amount**”) equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) (inclusive) above, would be sufficient to cause the Interest Diversion Test to be met;
- (X) to the payment:
  - (1) firstly, to the Collateral Manager of the Subordinated Collateral Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) until such amount has been paid in full except that the Collateral 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 Collateral Manager under this paragraph (X) (any such amounts, being “**Deferred Subordinated Collateral Management Amounts**”) on any Payment Date, provided that any such amount in the case of (x) shall (a)(i) be used to purchase Substitute Collateral Debt Obligations or to purchase Rated Notes in accordance with Condition 7(k) (*Purchase*) or (ii) be deposited in the Principal Account pending reinvestment in Substitute Collateral Debt Obligations or the purchase of Rated Notes in accordance with Condition 7(k) (*Purchase*) and (b) not be treated as unpaid for the purposes of paragraph (G) above or this paragraph (X) or in the case of (y), shall be applied to the payment of amounts in accordance with paragraphs (Y) through (DD) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one

Business Day prior to the relevant Determination Date of any amounts to be so applied;

- (2) secondly, to the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority); and
  - (3) thirdly, at the election of the Collateral Manager (at its sole discretion) to the Collateral Manager in payment of any previously Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);
- (Y) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;
- (Z) to the payment of Administrative Expenses (if any) in relation to each item thereof in the order of priority stated in the definition thereof not paid by reason of the Senior Expenses Cap;
- (AA) to the payment on a pro rata and pari passu basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty;
- (BB) to the repayment of any Collateral Manager Advances and any interest thereon;
- (CC) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Collateral Enhancement Account, any Collateral Enhancement Amounts;
- (DD)
  - (1) if the Incentive Collateral Management Fee IRR Threshold has not 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), until the Incentive Collateral Management Fee IRR Threshold is reached; 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 Collateral 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 Collateral Manager as an Incentive Collateral Management Fee;
    - (b) secondly, any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax authority); and
    - (c) thirdly, any remaining Interest Proceeds, to the payment of interest on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal

Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(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 (J) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;
- (B) to the payment of the amounts referred to in paragraph (K) 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 A Notes and the Class B Notes have been redeemed in full;
- (C) 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 A Notes and the Class B Notes have been redeemed in full;
- (D) 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 necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date;
- (E) to the payment of the amounts referred to in paragraph (N) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full;
- (F) 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 A Notes, the Class B Notes and the Class C Notes have been redeemed in full;
- (G) 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 necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date;
- (H) to the payment of the amounts referred to in paragraph (Q) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full;
- (I) 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 A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full;
- (J) 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 necessary to cause the Class E Coverage Tests that are applicable on such Payment Date with respect to the Class E Notes to be met as of the related Determination Date;
- (K) to the payment of the amounts referred to in paragraph (T) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that

the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full;

- (L) to the payment of the amounts referred to in paragraph (U) of the Interest Proceeds Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full;
- (M) to the payment of the amounts referred to in paragraph (V) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;
- (N) if such Payment Date is a Special Redemption Date, at the election of the Collateral Manager, to make payments in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date in accordance with the Note Payment Sequence;
- (O) during the Reinvestment Period, at the discretion of the Collateral 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 subject to and in accordance with the Collateral Management Agreement;
- (P) 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 Collateral 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 subject to and in accordance with the Collateral 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 (X) through (BB) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;
- (S)
  - (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Principal Proceeds to the payment on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; 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 Collateral 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 Collateral Manager as an Incentive Collateral Management Fee;
    - (b) secondly, any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax 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 and immediately prior to such redemption).

Where the payment of any amount in accordance with the Priorities of Payment set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amounts so deducted or withheld or of the tax so due shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

(d) ***Non payment of Interest Amounts***

Failure on the part of the Issuer to pay the Interest Amounts on any Class of Notes (other than the Class A Notes and the Class B Notes) pursuant to Condition 6 (*Interest*) in accordance with the Priorities 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 (or seven Business Days in the case of an administrative error or omission) and (ii) in the case of non-payment of interest due and payable on (1) the Class C Notes, the Class A Notes and the Class B Notes have been redeemed in full (2) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full; (3) the Class E Notes, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full, and (4) the Class F Notes, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in full, and save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes to Condition 6(c) (*Deferral of Interest*) and save as otherwise provided in respect of any unpaid Collateral Management Fees (and value added tax payable in respect thereof), in the event of non-payment of any amounts referred to in the Interest Proceeds Priority of Payments or 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 the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Proceeds Priority of Payments and the Principal Proceeds Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due in accordance with this Condition 3 (*Status*) on any preceding Payment Date.

(e) ***Determination and Payment of Amounts***

The Collateral Administrator will, in consultation with the Collateral Manager, on each Determination Date, calculate the amounts payable on the applicable Payment Date pursuant to the Priorities of Payments and will notify the Issuer and the Trustee of such amounts. The Account Bank (acting in accordance with the Payment Date Report compiled by the Collateral Administrator on behalf of the Issuer) shall, on behalf of the Issuer not later than 12.00 noon (London time) on the Business Day preceding each Payment Date, cause the amounts standing to the credit of the Principal Account, the Unused Proceeds Account and if applicable the Interest Account, the Expense Reserve 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 Post-Acceleration 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 Collateral Manager, adjust the amounts required to be applied in payment of principal on any Class of Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each such Note is a whole amount, not involving any fraction of a Euro cent or, at the discretion of the Collateral Administrator, any fraction of a Euro.

(g) ***Publication of Amounts***

The Collateral Administrator will, on behalf of and at the expense of the Issuer, cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 a.m. (London time) on the Business Day following the applicable Payment Date and the Registrar shall procure that details of such amounts are notified at the expense of the Issuer to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible after notification thereof to the Registrar in accordance with the above but in no event later than (to the extent applicable) the third Business Day after the last day of the applicable Due Period.

(h) ***Notifications to be Final***

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) ***Accounts***

The Issuer shall, on or prior to the Issue Date (or, in respect of a Counterparty Downgrade Collateral Account, on or about the date of entry by the Issuer into a Hedge Agreement with a new Hedge Counterparty), establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- (i) the Principal Account;
- (ii) the Interest Account;
- (iii) the Unused Proceeds Account;
- (iv) the Payment Account;
- (v) the Collateral Enhancement Account;
- (vi) the Expense Reserve Account;
- (vii) the Unfunded Revolver Reserve Account;
- (viii) the Contributions Account;
- (ix) each Counterparty Downgrade Collateral Account;
- (x) the Hedge Termination Account(s);
- (xi) the Non-Euro Hedge Account(s);
- (xii) the Collection Account;

- (xiii) the Custody Account;
- (xiv) the Interest Reserve Account; and
- (xv) the Prefunded Commitment Account.

The Account Bank and the Custodian shall at all times be a financial institution meeting the Rating Requirement applicable thereto, which has the necessary regulatory capacity and licences to perform the services required by it. If the Account Bank or the Custodian at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank or Custodian, as applicable, acceptable to the Trustee, which satisfies the Rating Requirement is appointed in accordance with the provisions of the Agency Agreement.

Amounts standing to the credit of the Accounts (other than the Unfunded Revolver Reserve Account, each Counterparty Downgrade Collateral Account, the Payment Account and the Collection Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

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

Save for the Counterparty Downgrade Collateral Account and any Non-Euro Hedge Accounts, to the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, may convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Contributions Account, (iv) the Expense Reserve Account, (v) the Collateral Enhancement Account, (vi) all interest accrued on the Accounts, (vii) the Counterparty Downgrade Collateral Account, (viii) the Prefunded Commitment Account, (ix) each Non-Euro Hedge Account) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full; all amounts standing to the credit of each of the Interest Account, the Contributions Account, the Expense Reserve Account, the Collateral Enhancement Account, a Counterparty Downgrade Collateral Account, to the extent not required to be repaid to any Hedge Counterparty (or representing unpaid amounts under a terminated Hedge Transaction which constitute Principal Proceeds) shall be transferred to the Payment Account and shall constitute Interest Proceeds on the Business Day prior to the redemption of the Notes in full.

For the avoidance of doubt, 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 Payments.

Pursuant to the terms of the Collateral Management Agreement, the Collateral Administrator will agree that on each Business Day to the extent that there are amounts standing to the credit of an Interim Account it will direct the transfer of such amounts from such Interim Account to the corresponding Account.

(j) ***Payments to and from the Accounts***

- (i) Principal Account

The Issuer will procure that the following Principal Proceeds are paid into the Principal Account promptly upon receipt thereof (save for those in respect of any Asset Swap Obligations) provided that, in the case of receipts on any Unhedged Collateral Debt Obligation, such amounts shall be converted into Euro at the Applicable Exchange Rate prior to such payment into the Principal Account:

- (A) all principal payments received in respect of any Collateral Debt Obligation including, without limitation, save to the extent that they relate to Asset Swap Obligations;
  - (1) Scheduled Principal Proceeds, other than any Interest Rate Hedge Replacement Receipts or Interest Rate Hedge Termination Receipts;
  - (2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Debt Obligation;
  - (3) Unscheduled Principal Proceeds; and
  - (4) any other principal payments with respect to Collateral Debt Obligations or Eligible Investments (to the extent not included in the Sale Proceeds),
 but excluding (i) any such payments received in respect of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, to the extent required to be paid into the Unfunded Revolver Reserve Account;
- (B) any Asset Swap Counterparty Principal Exchange Amount (other than any payments from an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction, which shall be paid into the relevant Non-Euro Hedge Account) received by the Issuer under any Asset Swap Transactions;
- (C) the Balance standing to the credit of the relevant Hedge Termination Account in the circumstances described under Condition 3(j)(ix) (*Hedge Termination Account*) below;
- (D) amounts received in respect of any Asset Swap Obligation which are not required to be paid to the applicable Asset Swap Counterparty, as the case may be, pursuant to the related Asset Swap Transaction but which are required, pursuant to the Collateral Management Agreement, to be paid into the Principal Account following conversion thereof into Euro at the Applicable Exchange Rate;
- (E) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts) and amounts representing the element of deferred interest in any payments received in respect of any PIK Obligation;
- (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 the purchase or sale of any Collateral Debt Obligations (including such fees received in relation to Corporate Rescue Loans) or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations as determined by the Collateral Manager in its reasonable discretion;
- (H) all Sale Proceeds received in respect of a Collateral Debt Obligation;
- (I) all Distributions and Sale Proceeds received in respect of Exchanged Security;

- (J) all Collateral Enhancement Debt Obligation Proceeds;
- (K) all Purchased Accrued Interest;
- (L) amounts transferred to the Principal Account from any other Account as required below;
- (M) all proceeds received from any additional issuance of the Notes that are not invested in Collateral Debt Obligations or required to be paid into the Interest Account;
- (N) any other amounts received in respect of the Collateral which are not required to be paid into another Account;
- (O) all amounts required to be transferred from the relevant Counterparty Downgrade Collateral Account;
- (P) all amounts transferred from the Expense Reserve Account;
- (Q) all amounts payable into the Principal Account pursuant to paragraph (W) of the Interest Proceeds Priority of Payments upon the failure to meet the Interest Diversion Test;
- (R) all principal and interest payments (together with amounts received by way of gross up of such interest and in respect of a claim under any applicable double tax treaty) received in respect of any Non-Eligible Issue Date Collateral Debt Obligation or any other asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which has not been sold by the Collateral Manager in accordance with Collateral Management Agreement;
- (S) all net Refinancing Proceeds;
- (T) all amounts transferred from the Contributions Account;
- (U) any other amounts which are not required to be paid into any other Account in accordance with this Condition 3(j) (*Payments to and from the Accounts*); and
- (V) any Collateral Manager Advances designated for such purpose.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Principal Account, provided in each case that amounts deposited in the Principal Account pursuant to paragraph (S) above, shall only be applied in accordance with sub-paragraph (5) below unless, after such application on the relevant date, there is a surplus of such proceeds

- (1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal 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 Collateral Manager (on behalf of the Issuer) pursuant to the Collateral Management Agreement (including any payments to an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction) for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) until after the following Payment Date and (ii) no such payment shall be made to the extent that such amounts are not required to be distributed pursuant to the Principal Proceeds Priority of Payments on such Payment Date;

- (2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations (including amounts equal to the Unfunded Amounts of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations which are required to be deposited in the Unfunded Revolver Reserve Account) and any initial principal exchange amount denominated in Euro and due to an Asset Swap Counterparty pursuant to an Asset Swap Transaction;
- (3) on any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*);
- (4) on or before the Effective Date, an amount not exceeding 1.0 per cent. of the Aggregate Collateral Balance may be transferred in aggregate (inclusive of any such amounts transferred from the Principal Account pursuant to paragraph (4)(ii) of Condition 3(j)(iii) (*Unused Proceeds Account*)) to the Interest Account, provided that the Effective Date Determination Requirements following such transfer are satisfied or expected to be satisfied as determined by the Collateral Manager; and
- (5) on any date on which a Refinancing has occurred, all amounts credited to the Principal Account pursuant to paragraph (S) above, to be applied in the redemption of the Class or Classes of Notes that are the subject of such Refinancing subject to and in accordance with Condition 7(b) (*Optional Redemption*).

(ii) Interest Account

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof (and, in the case of receipts on any Unhedged Collateral Debt Obligation, provided that any amounts denominated in a currency other than Euro shall be converted into Euro at the Applicable Exchange Rate):

- (A) all cash payments of interest in respect of the Collateral Debt Obligations (save for any Asset Swap Obligation) other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);
- (B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts (save for the Counterparty Downgrade Collateral Account) (including interest on any Eligible Investments standing to the credit thereof);
- (C) all amendment and waiver fees, all late payment fees, all commitment fees, syndication fees, delayed compensation and all other fees and commissions received in connection with any Collateral Debt Obligations and Eligible Investments as determined by the Collateral Manager in its reasonable discretion (other than fees and commissions received in connection with the purchase or sale of any Collateral Debt Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Debt Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

- (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) all accrued interest included in the proceeds of sale of any other Collateral Debt Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the Collateral Management Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii) (1) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);
- (F) all proceeds received during the related Due Period from any additional issuance of Subordinated Notes that are not reinvested or retained for reinvestment in Collateral Debt Obligations;
- (G) all amounts representing the element of deferred interest in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation which by its contractual terms provides for the deferral of interest;
- (H) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;
- (I) all scheduled commitment fees received by the Issuer in respect of any Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;
- (J) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation in an account established pursuant to an ancillary facility;
- (K) all amounts transferred from the Expense Reserve Account;
- (L) all amounts transferred from the Contributions Account;
- (M) any Swap Tax Credit received by the Issuer;
- (N) any reimbursements received by the Issuer in respect of any withholding tax which has been previously withheld;
- (O) any Collateral Manager Advances designated for such purpose; and
- (P) amounts transferred from the Principal Account pursuant to Condition 3(j)(i)(4).

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

- (1) on the Business Day prior to each Payment Date, all Interest Proceeds (save for Swap Tax Credits) 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, funds may be transferred to the relevant Non-Euro Hedge Account up to an amount equal to any shortfall in the Balance standing to the credit of such Account with respect to any payment obligation by the Issuer pursuant to Condition 3(j)(x) (*Non-Euro Hedge Account*) at such time;

- (3) at any time, any amounts payable by the Issuer under any Interest Rate Hedge Transaction save for any Interest Rate Hedge Termination Payments that are Defaulted Hedge Termination Payments;
- (4) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations to the extent that any such acquisition costs represent accrued interest;
- (5) at any time, any Swap Tax Credits shall be paid to the relevant Hedge Counterparty in accordance with the terms of the relevant Hedge Agreement;
- (6) on the Business Day following each Determination Date save for: (i) the first Determination Date following the Issue Date and (ii) a Determination Date following the occurrence of a Note Event of Default which is continuing; and
- (7) if applicable, on a Business Day earlier than the Payment Date following the relevant Drawdown Date, any amounts required to repay any Liquidity Drawing on a date earlier than such Payment Date, in accordance with the terms of the Liquidity Facility Agreement;

(iii) Unused Proceeds Account

The Issuer will procure that the following amounts are credited to the Unused Proceeds Account, as applicable:

- (A) an amount equal to the net proceeds of issue of the Notes remaining after payment of: (1) certain fees and expenses due and payable by the Issuer on the Issue Date; (2) amounts payable into the Expense Reserve Account; (3) amounts repaid pursuant to the Warehouse Arrangements; and (4) amounts payable into the Interest Reserve Account; and
- (B) all proceeds received during the Initial Investment Period from any additional issuance of Notes that are not invested in Collateral Debt Obligations or paid into the Interest Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the applicable sub-ledger of the Unused Proceeds Account:

- (1) on or about the Issue Date, such amounts equal to the aggregate of:
  - (a) the purchase price for certain Collateral Debt Obligations on or prior to the Issue Date, if any; and
  - (b) amounts required for repayment of any amounts borrowed by the Issuer (together with interest thereon) in order to finance the acquisition of certain Collateral Debt Obligations on or prior to the Issue Date;
- (2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the Collateral Management Agreement, in the acquisition of Collateral Debt Obligations including any amounts payable by the Issuer to an Asset Swap Counterparty in respect of initial principal exchange in relation to an Asset Swap Obligation;
- (3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note

Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing; and

- (4) on or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account, to the Principal Account or the Interest Account, in each case, at the discretion of the Collateral Manager, acting on behalf of the Issuer, provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Debt Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (after taking into account any transfer in (ii)); and (ii) an amount not exceeding 1.0 per cent. of the Aggregate Collateral Balance may be transferred in aggregate (inclusive of any such amounts transferred from the Principal Account pursuant to paragraph (4) of Condition 3(j)(i) (*Principal Account*)) to the Interest Account.

(iv) Payment Account

The Issuer will procure that the proceeds of any Initial Drawdown and any Subsequent Drawdowns shall be deposited into the Payment Account.

The Issuer will procure that, on the Business Day prior to each Payment Date, all amounts standing to the credit of each of the Accounts which are required to be transferred from the other accounts to the Payment Account pursuant to Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) are so transferred, and, on such Payment Date, the Collateral Administrator shall cause the Account Bank (acting on the basis of the Payment Date Report), to disburse such amounts in accordance with the Priorities of Payments. No amounts shall be transferred to or withdrawn from the Payment Account at any other time or in any other circumstances.

(v) Counterparty Downgrade Collateral Accounts

The Issuer will procure that all Counterparty Downgrade Collateral transferred pursuant to a Hedge Agreement shall be deposited in a separate account in respect of each Hedge Counterparty. All Counterparty Downgrade Collateral deposited from time to time in any Counterparty Downgrade Collateral Account shall be held and released pursuant to the terms set out below.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof do not form part of Principal Proceeds, Interest Proceeds or of Collateral Enhancement Debt Obligation Proceeds (other than in the circumstances set out below) and accordingly, are not available to fund general distributions of the Issuer (save as set out below and in the applicable Hedge Agreement). The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any other party.

Amounts standing to the credit of each Counterparty Downgrade Collateral Account will not be available for the Issuer to make payments to the Noteholders nor any other creditor of the Issuer. The Issuer will procure the payment of the following amounts (and shall ensure that no other payments are made, save to the extent required hereunder):

- (A) prior to the occurrence or designation of an “Early Termination Date” (as defined in the relevant Hedge Agreement) in respect of all “Transactions” (as defined in the relevant Hedge Agreement) entered into under the relevant Hedge Agreement pursuant to which all “Transactions” under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:
  - (1) any “Return Amounts” (as defined in the applicable “Credit Support Annex” of the applicable Hedge Agreement);



- (2) any “Interest Amounts” and “Distributions” (each as defined in the applicable “Credit Support Annex” of the applicable Hedge Agreement) or such other equivalent amounts representing equivalent payments; and
- (3) any return of collateral to the relevant Hedge Counterparty upon a novation of its obligations under such Hedge Agreement to a replacement Hedge Counterparty, directly to such Hedge Counterparty,

in each case in accordance with the terms of the “Credit Support Annex” of the applicable Hedge Agreement;

- (B) following the designation of an “Early Termination Date” in respect of all “Transactions” under a Hedge Agreement pursuant to which all “Transactions” under such Hedge Agreement are terminated early where (X) an “Event of Default” (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty and an “Additional Termination Event” (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole “Affected Party” (as defined in such Hedge Agreement) and (Y) the Issuer enters into a replacement Hedge Agreement or any novation of the relevant Hedge Counterparty’s obligations to a replacement Hedge Counterparty on or around the “Early Termination Date” (as defined in such Hedge Agreement) of such 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 Hedge Termination Account);
  - (2) second, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination 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” in respect of all “Transactions” under a Hedge Agreement pursuant to which all “Transactions” under such Hedge Agreement are terminated early (A) other than in respect of a “Event of Default” (as defined in such Hedge Agreement) in respect of the relevant Hedge Counterparty and other than in respect of an “Additional Termination Event” (as defined in such Hedge Agreement) in relation to which the relevant Hedge Counterparty is the sole “Affected Party” (as defined in such Hedge Agreement) and (B) the Issuer enters into a replacement Hedge Agreement or any novation of the relevant Hedge Counterparty’s obligations to a replacement Hedge Counterparty on or around the “Early Termination Date” (as defined in such Hedge Agreement) of such Hedge Agreement, in the following order of priority:
  - (1) first, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination Account);
  - (2) second, in or towards payment of any Hedge Replacement Payment (to the extent not funded from the Hedge Termination Account); and
  - (3) third, the Counterparty Downgrade Collateral Account Surplus to be transferred to the Principal Account, and
- (D) following the designation of an “Early Termination Date” (as defined in each Hedge Agreement) in respect of all “Transactions” under a Hedge Agreement pursuant to which all “Transactions” under the relevant 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 relevant Hedge Counterparty’s obligations to a replacement Hedge

Counterparty on or around the “Early Termination Date” (as defined in such Hedge Agreement), in the following order of priority:

- (1) first, in or towards payment of any Hedge Termination Payment (to the extent not funded from the Hedge Termination Account); and
- (2) second, the Counterparty Downgrade Collateral Account Surplus to be transferred to the Principal Account.

(vi) Collateral Enhancement Account

The Issuer will procure that, on each Payment Date, any Collateral Enhancement Amount applied in payment into the Collateral Enhancement Account pursuant to paragraph (CC) of the Interest Proceeds Priority of Payments, is credited to the Collateral Enhancement Account together with, at any time, the proceeds of a Collateral 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 Debt Obligations (in accordance with the terms of the Collateral Management Agreement).

The Issuer will (at the direction of the Collateral Manager which shall be made in its sole discretion) 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 at the discretion of the Collateral Manager:

- (1) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Debt Obligations or invest in additional Collateral Debt Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments;
- (2) any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Debt Obligations, in accordance with the terms of the Collateral Management Agreement;
- (3) any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*);
- (4) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payments;
- (5) the occurrence of an Effective Date Rating Event, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note Payment Sequence or, if earlier until an Effective Date Rating Event is no longer continuing;
- (6) 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 Principal Proceeds Priority of Payments or the Post-Acceleration Priorities of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*); and
- (7) at any time at the discretion of the Collateral Manager in repayment of any Collateral Manager Advances.

(vii) The Unfunded Revolver Reserve Account

The Issuer shall procure the following amounts are paid into the Unfunded Revolver Reserve Account:

- (A) upon the acquisition by or on behalf of the Issuer of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, an amount (such amount the “**Revolver Reserve Commitment**”) equal to the amount which would cause the Balance standing to the credit of the Unfunded Revolver Reserve Account to be at least equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations (which Unfunded Amounts will be treated as part of the purchase price for the related Revolving Obligation or Delayed Drawdown Collateral Debt Obligation) less (i) amounts posted thereafter as collateral (which do not constitute Funded Amounts), in each case, pursuant to the provisions (2) or (3) below, as applicable;
- (B) all principal payments received by the Issuer in respect of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, if and to the extent that the amount of such principal payments may be re borrowed under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation or otherwise by the Collateral Manager, acting on behalf of the Issuer;
- (C) all repayments of collateral to the Issuer originally paid by the Issuer pursuant to (2) below.

The Issuer shall procure payment of the following amounts (and shall ensure that no other amounts are paid) out of the Unfunded Revolver Reserve Account:

- (1) all amounts required to fund any drawings under any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation;
- (2) in respect of Delayed Drawdown Collateral Debt Obligations or Revolving Obligations, all amounts required to be deposited in the Issuer’s name with any third party which satisfies the Rating Requirement applicable to an Account Bank (or if the third party does not satisfy the Rating Requirement applicable to an Account Bank, subject to receipt of Rating Agency Confirmation) as collateral for any funding obligations of the Issuer in respect of a Delayed Drawdown Collateral Debt Obligation or Revolving Obligation including but not limited to reimbursement or indemnification obligations of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation (subject to such security documentation as may be agreed between such lender, the Collateral Manager acting on behalf of the Issuer and the Trustee);
- (3) (x) at any time at the direction of the Collateral Manager (acting on behalf of the Issuer) or (y) upon the sale (in whole or in part) of a Revolving Obligation or the reduction, cancellation or expiry of any commitment of the Issuer to make future advances or otherwise extend credit thereunder, any excess of (a) the amount standing to the credit of the Unfunded Revolver Reserve Account over (b) the sum of the Unfunded Amounts of all Revolving Obligations and Delayed Drawdown Collateral Debt Obligations after taking into account such sale or such reduction, cancellation or expiry of such commitment or notional amount to the Principal Account;
- (4) all interest accrued on the Balance standing to the credit of the Unfunded Revolver Reserve Account from time to time (including capitalised interest received upon the sale, maturity or termination of any Eligible Investment) to the Interest Account; and

- (5) at the discretion of the Collateral Manager, acting on behalf of the Issuer, to the Principal Account, to the extent that the Revolver Reserve Commitment would still be satisfied following such transfer.

(viii) Contributions Account

At any time during or after the Reinvestment Period, any Contributor may make a Contribution to the Issuer. The Collateral Manager, on behalf of the Issuer, may accept or reject any Contribution in its reasonable discretion (and will notify the Trustee in writing of any such acceptance); provided that in the case of clause (ii) of the definition of “Contribution”, such notice must be provided no later than two (2) Business Days prior to the applicable Payment Date. Each accepted Contribution will be credited to the Contributions Account.

The Issuer will procure payment of Contributions standing to the credit of the Contributions Account (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Contributions Account as directed by the Contributor at the time the relevant Contribution is made or, if no direction is given by the Contributor, at the Collateral Manager’s reasonable discretion, as follows:

- (A) at any time, to the Principal Account for distribution on the next following Payment Date in accordance with the Priorities of Payments;
- (B) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to the Interest Account for distribution in accordance with the Priorities of Payments;
- (C) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Debt Obligations, in accordance with the terms of the Collateral Management Agreement;
- (D) at any time, at the direction of the Issuer (or the Collateral Manager acting on its behalf), to purchase any Rated Notes in accordance with Condition 7(k) (*Purchase*);
- (E) following the occurrence of an Effective Date Rating Event that is continuing, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments, in redemption of the Notes in accordance with the Note Payment Sequence until an Effective Date Rating Event is no longer continuing; and
- (F) on the Business Day prior to any Payment Date, the Balance standing to the credit of the Contributions Account to the Payment Account for distribution on such Payment Date in accordance with the Principal Proceeds Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) (1) at the direction of the Collateral Manager at any time prior to a Note Event of Default or (2) automatically upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*).

No Contribution or portion thereof accepted by the Collateral Manager will be returned to the Contributor at any time save for in accordance with the Priorities of Payments. All interest accrued on amounts standing to the credit of the Contributions Account will be transferred to the Interest Account for application as Interest Proceeds. For the avoidance of doubt, any amounts standing to the credit of the Contributions Account pursuant to clause (ii) of the definition of “Contribution” will be deemed for all purposes as having been paid to the Contributor pursuant to the Priorities of Payments.

(ix) Hedge Termination Account

The Issuer will procure that all Hedge Termination Receipts and Hedge Replacement Receipts are paid into the relevant Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

- (A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Hedge Termination Payment due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;
- (B) at any time, in the case of any Hedge Termination Receipts paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Interest Rate Hedge Transaction or a Replacement Asset Swap Transaction, as applicable in accordance with the Collateral Management Agreement; and
- (C) in the case of any Hedge Termination Receipts paid into the relevant Hedge Termination Account, in the event that:
  - (1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction and Rating Agency Confirmation is received in respect of such determination; or
  - (2) termination of the Hedge Transaction under which such Hedge Termination Receipts are payable occurs on a Redemption Date (other than in connection with a Refinancing); or
  - (3) to the extent that such Hedge Termination Receipts are not required for application towards costs of entry into a Replacement Interest Rate Hedge Transaction or a Replacement Asset Swap Transaction, as applicable,
- (D) payment of such amounts (save for accrued interest thereon) to the Principal Account.

(x) Non-Euro Hedge Account

The Issuer will procure that all amounts due to the Issuer in respect of each Asset Swap Obligation (including, any payments from an Asset Swap Counterparty in respect of initial principal exchange amounts pursuant to an Asset Swap Transaction) shall, on receipt, be deposited in the Non-Euro Hedge Account maintained in the currency of such Asset Swap Obligation. Additional amounts may also be transferred to the relevant Non-Euro Hedge Account from the Interest Account at any time to the extent of any shortfall in the Balance standing to the credit of the relevant Non-Euro Hedge Account in respect of any payment required to be made by the Issuer pursuant to (2) below at such time.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the relevant Non-Euro Hedge Account:

- (1) at any time, to the extent of any initial principal exchange amount deposited into the relevant Non-Euro Hedge Account in accordance with the terms of and to the extent permitted under the Collateral Management Agreement, in the acquisition of Asset Swap Obligations;

- (2) Scheduled Periodic Asset Swap Issuer Payments due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction;
- (3) Asset Swap Issuer Principal Exchange Amounts (other than any initial asset swap principal exchange amount denominated in Euro and due to an Asset Swap Counterparty pursuant to an Asset Swap Transaction, which shall be paid from the Principal Account or Unused Proceeds Account) due to each Asset Swap Counterparty pursuant to each Asset Swap Transaction; and
- (4) cash amounts (representing any excess standing to the credit of the relevant Non-Euro Hedge Account after provisioning for any amounts to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) to the Principal Account after conversion thereof into Euro at the then Applicable Exchange Rate.

(xi) Expense Reserve Account

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

- (A) an amount determined on the Issue Date for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) below;
- (B) any Ongoing Expense Reserve Amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Proceeds Priority of Payments and (A) of the Principal Proceeds Priority of Payments; and
- (C) any amounts received by the Issuer by way of indemnity payments from third parties ("**Third Party Indemnity Receipts**").

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

- (1) other than Third Party Indemnity Receipts, amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of the Notes and the entry into the Transaction Documents;
- (2) other than Third Party Indemnity Receipts, subject to payment of any amounts referred to in paragraph (3) below, amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Principal Account and/or the Interest Account in the sole discretion of the Issuer (or the Collateral Manager acting on its behalf);
- (3) at any time other than between a Determination Date and a Payment Date, the amount of, firstly, any Trustee Fees and Expenses and, secondly, Administrative Expenses which have accrued and become payable prior to the immediately following Payment Date, upon receipt of invoices therefor from the relevant creditor, provided that any such payments, in aggregate, shall not cause the balance of the Expense Reserve Account to fall below zero;
- (4) other than Third Party Indemnity Receipts, on the Business Day prior to each Payment Date, the Balance of the Expense Reserve Account shall be transferred to the Payment Account for application in accordance with the Interest Proceeds Priority of Payments on such Payment Date;
- (5) on any date, any Third Party Indemnity Receipts due and payable by the Issuer to the Trustee, in an amount which shall not at any time exceed the lesser of (i) the amount paid into the Expense Reserve Account in accordance with paragraph (C) above; and (ii) the amount of any indemnity payments payable by the Issuer to the Trustee. Any

such amount so paid shall not be taken into account for the purposes of the application of the Senior Expenses Cap;

- (6) any Third Party Indemnity Receipts in excess of (5) above shall be transferred to the Payment Account on the Business Day prior to each Payment Date for application in accordance with the Interest Proceeds Priority of Payments on such Payment Date; and
- (7) other than Third Party Indemnity Receipts, at any time, the amount of any tax that has become due and payable prior to the immediately following Payment Date, as certified by an Authorised Officer of the Issuer, provided that any such payments, in aggregate and together with any other payments out of the Expense Reserve Account on the relevant date, shall not cause the balance of the Expense Reserve Account to fall below zero.

(xii) Collection Account

The Issuer shall procure that all amounts received in respect of any Collateral (excluding any Counterparty Downgrade Collateral) 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 to which such funds are required to be credited to in accordance with Condition 3(i)(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.

(xiii) Interest Reserve Account

The Issuer shall procure that on or about the Issue Date €2,000,000 is paid into the Interest Reserve Account.

At any time up to and including the last day of the Initial Investment Period, the Collateral Manager, in its sole discretion (acting on behalf of the Issuer), may direct some or all amounts standing to the credit of the Interest Reserve Account to be used for the acquisition of Collateral Debt Obligations, subject to and in accordance with the Collateral Management Agreement. Following the Initial Investment Period, all amounts standing to the credit of the Interest Reserve Account (including all interest accrued thereon) shall be transferred to the Payment Account for disbursement pursuant to the Interest Proceeds Priority of Payments.

(xiv) Prefunded Commitment Account

The Issuer shall procure that any Prefunded Commitment Utilisations received in accordance with the terms of the Liquidity Facility Agreement are paid into the Prefunded Commitment Account.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Prefunded Commitment Account as provided below:

- (1) in the case of any Liquidity Drawings drawn by the Issuer in accordance with the terms of the Liquidity Facility Agreement, in payment of such amount to the Payment Account, as applicable;
- (2) all payments in respect of interest accrued on amounts standing to the credit of the Prefunded Commitment Account (which amounts do not include any commitment fee payable on a Prefunded Commitment) relating to the Prefunded Commitment to the Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement but only to the extent actually received by the Issuer;
- (3) on each Payment Date that any of the Rated Notes are redeemed or purchased (in whole or in part), an amount equal to the reduction of the Available Commitment

payable to the Liquidity Facility Provider due to such redemption or purchase as determined in accordance with the terms of the Liquidity Facility Agreement; and

- (4) on the date the Prefunded Commitment (or part thereof) is required to be repaid by the Issuer to the Liquidity Facility Provider pursuant to the terms of the Liquidity Facility Agreement, to the payment to the Liquidity Facility Provider of the Balance of the Prefunded Commitment Account.

#### **4. Security**

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

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes of each Class, the Trust Deed, the Agency Agreement, the Collateral Management Agreement and the 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 present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Securities, Collateral Enhancement Debt Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and any other investments (other than any Counterparty Downgrade Collateral), in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry by the Trustee into an intercreditor agreement or deed) and where such contractual rights arise other than under securities), 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;
- (ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Debt Obligations, Exchanged Security, Collateral Enhancement Debt Obligations, Eligible Investments standing to the credit of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and each of the Interim Accounts and any other investments (other than any Counterparty Downgrade Collateral), in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above and which are capable of being the subject of a first fixed charge and first priority security interest), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;
- (iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts and each of the Interim Accounts and all moneys from time to time standing to the credit of such Accounts (other than the Counterparty Downgrade Collateral Accounts and the Prefunded Commitment Account) and such Interim Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;
- (iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of 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 over 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 including without limitation, all interest accrued and other monies received in respect thereof, subject, in each case to the rights of any Hedge Counterparty to the applicable Counterparty Downgrade Collateral Account pursuant to the terms of the relevant Hedge Agreement and these Conditions (and, in each case, subject to any prior ranking security interest entered into by the Issuer in relation thereto in favour of a Hedge Counterparty);

- (v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency Agreement (to the extent it relates to the Custody Account) and a first fixed charge over all of the Issuer's right, title and interest in and to the Custody Account (including each cash account relating to the Custody Account) and any cash held therein and the debts represented thereby;
- (vi) an assignment by way of security of all the Issuer's present and future rights under each 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);
- (vii) an assignment by way of security of all the Issuer's present and future rights under the Collateral Management Agreement and all sums derived therefrom;
- (viii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);
- (ix) an assignment by way of security of all the Issuer's present and future rights under the Agency Agreement and the Placement Agreement and all sums derived therefrom;
- (x) an assignment by way of security of all the Issuer's present and future rights under the Retention Letter and all sums derived therefrom;
- (xi) an assignment by way of security of all the Issuer's present and future rights under the Collateral Acquisition Agreements and all sums derived therefrom;
- (xii) an assignment by way of security of all of the Issuer's present and future rights under the other Transaction Documents and all sums derived therefrom;
- (xiii) an assignment by way of security of all the Issuer's present and future rights under the Liquidity Facility Agreement and all sums derived therefrom;
- (xiv) a first fixed charge in favour of the Trustee solely for the benefit of the Liquidity Facility Provider (and no other creditor of the Issuer) over all of the Issuer's right, title, interest and benefit, present and future, in and to the Prefunded Commitment Account and all moneys from time to time standing to the credit of the Prefunded Commitment Account and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof; and
- (xv) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (xv) above, amounts standing to the credit of the Issuer Irish Account and all monies from time to time standing to the credit thereof and the debts represented thereby, including all interest accrued and other monies received in respect thereof.

The security will extend to the ultimate balance of obligations of the Issuer owed to the Secured Parties, regardless of any intermediate payment or discharge 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 to the fullest extent permitted under Irish mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the “**Trust Collateral**”) on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management 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 paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security:

- (i) by way of a first priority security interest to a Hedge Counterparty over:
  - (A) the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the Counterparty Downgrade Collateral Account related to such Hedge Counterparty 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
  - (B) the Counterparty Downgrade Collateral Account related to such Hedge Counterparty, all moneys from time to time standing to the credit of such Counterparty Downgrade Collateral Account and the debts represented thereby including without limitation, all interest accrued and other monies received in respect thereof,

in each case, as security for the Issuer’s obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and these Conditions (subject to such security documentation as may be agreed between such third party, the Collateral Manager acting on behalf of the Issuer and the Trustee). For the avoidance of doubt, the Issuer may grant such security interest directly to the Hedge Counterparty; and/or

- (ii) by way of first priority security interest over amounts representing all or part of the Unfunded Amount of any Revolving Obligation or Delayed Drawdown Collateral Debt Obligation and deposited in its name with a third party as security for any payment obligations of the Issuer in respect of such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation including but not limited to reimbursement or indemnification obligation of the Issuer owed to any other lender under such Revolving Obligation or Delayed Drawdown Collateral Debt Obligation, subject to the terms of Condition 3(j)(vii) (*The Unfunded Revolver Reserve Account*) (including Rating Agency Confirmation).

All deeds, documents, assignments, instruments, bonds, notes, negotiable instruments, papers and any other instruments comprising, evidencing, representing and/or transferring the Portfolio will be deposited with or held by or on behalf of the Custodian until the security over such obligations is irrevocably discharged in accordance with the provisions of the Trust Deed. In the event that the ratings of the Custodian are downgraded to below the Rating Requirement or withdrawn, the Issuer shall use reasonable endeavours to procure that a replacement Custodian with the Rating Requirement and who is appointed on substantially the same terms under the Agency Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a

bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry and without liability. 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 Security Agreement, the Issuer has also created in favour of the Trustee on behalf of the Secured Parties, 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 set out in Condition 11 (*Enforcement*).

(c) ***Limited Recourse and Non-Petition***

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payments. If the net proceeds of realisation of the security constituted by the Trust Deed and the Euroclear Security Agreement, 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 Payments. In such circumstances, the other assets (including the Issuer Irish Account) of the Issuer will not be available for payment of such shortfall which shall be borne by the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Subordinated Noteholders and the other Secured Parties in accordance with the Priorities of Payments (applied in reverse order). The rights of the Secured Parties (including the Noteholders) 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, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee’s right to enforce and/or realise the security constituted by the Trust Deed and the Euroclear Security Agreement (including by appointing a receiver or an administrative receiver).

None of the Trustee, the Placement Agent, the Collateral Manager, nor any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) ***Exercise of Rights in Respect of the Portfolio***

Pursuant to the Collateral Management Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its

capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(e) ***Information Regarding the Collateral***

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor and that copies of each such Report are made available to the Trustee, the Collateral Manager, each Hedge Counterparty, the Liquidity Facility Provider, and the Rating Agencies within two Business Days of publication thereof.

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

(a) ***Covenants of the Issuer***

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

- (i) take such steps as are reasonable to enforce all its rights:
  - (A) under the Trust Deed;
  - (B) respect of the Collateral;
  - (C) under the Agency Agreement;
  - (D) under the Collateral Management Agreement;
  - (E) under the Corporate Services Agreement;
  - (F) under the Collateral Acquisition Agreements;
  - (G) under the Retention Letter;
  - (H) under any Hedge Agreements;
  - (I) under the Euroclear Security Agreement (if applicable);
- (ii) comply with its obligations under the Notes, the Trust Deed, the Agency Agreement, the Collateral Management Agreement and each other Transaction Document to which it is a party;
- (iii) keep proper books of account;
- (iv) all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management Agreement) or place of business (save for the activities conducted by the Collateral Manager on its behalf) or register as a company in the United Kingdom or the United States;
- (v) pay its debts generally as they fall due;
- (vi) do all such things as are necessary to maintain its corporate existence;
- (vii) use its best endeavours to obtain and maintain the listing on the regulated market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and

the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the prior written approval of the Trustee) decide;

- (viii) supply such information to the Rating Agencies as they may reasonably request;
- (ix) ensure that its “centre of main interests” (as that term is referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) and its tax residence is and remains at all times in Ireland; and
- (x) ensure an agent is appointed to assist in enabling the Rating Agencies to comply with Rule 17g-5 in respect of the Issuer and the Notes.

(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 Collateral 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;
- (iii) engage in any business other than:

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;

- (A) issuing and performing its obligations under the Notes;
  - (B) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency Agreement, the Collateral Management Agreement and each other Transaction Document to which it is a party, as applicable; or performing any act incidental to or necessary in connection with any of the above;
  - (C) amend any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);
  - (D) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency Agreement, the Collateral Management Agreement, the Corporate Services Agreement or any other Transaction Document to which it is a party;
- (iv) incur any indebtedness for borrowed money, other than in respect of:
    - (A) the Notes (including the issuance of additional Notes pursuant to Condition 17 (*Additional Issuance*)) or any document entered into in connection with the Notes or the sale thereof or any additional Notes or the sale thereof;
    - (B) any Refinancing; or

- (C) as otherwise contemplated or permitted pursuant to the Trust Deed, the Collateral Management Agreement or the other Transaction Documents;
- (v) amend its constitutional documents (save where such amendment is made to reflect a change in the name of the Issuer);
- (vi) have any subsidiaries or establish any offices, branches or other “establishment” (as that term is used in article 2(h) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) outside of Ireland;
- (vii) have any employees (for the avoidance of doubt the directors of the Issuer do not constitute employees);
- (viii) enter into any reconstruction, amalgamation, merger or consolidation;
- (ix) 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 and except for dividends payable to the Share Trustee;
- (x) issue any shares (other than such share as is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital;
- (xi) 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)), which terms do not contain the provisions below) unless such contract or agreement contains “limited recourse” and “non-petition” provisions and such Person agrees that, prior to the date that is one year and one day after all the related obligations of the Issuer have been paid in full (or, if longer, the applicable preference period under applicable insolvency law), such Person shall not take any action or institute any proceeding against the Issuer under any insolvency law applicable to the Issuer or which would reasonably be likely to cause the Issuer to be subject to or seek protection of, any such insolvency law; provided that such Person shall be permitted to become a party to and to participate in any proceeding or action under any such insolvency law that is initiated by any other Person other than one of its Affiliates;
- (xii) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;
- (xiii) commingle its assets with those of any other Person or entity;
- (xiv) enter into any lease in respect of, or own, premises
- (xv) acquire Collateral Debt Obligations, Collateral Enhancement Debt Obligations or any other obligations or securities issued by its partners or shareholders (if any); or
- (xvi) act as an entity that issues notes to investors and uses the proceeds to grant new loans on its own account, but will purchase loans from another lender and therefore is not considered a first lender (for the purpose of Regulation (EC) No 24/2009 of the European Central Bank).

## **6. Interest**

### **(a) *Payment Dates***

- (i) Fixed Rate Notes and Floating Rate Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Issue Date and such interest will be payable semi-annually (or, in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the Payment Date falling on or about 22 July 2015) in arrear on each Payment Date.

(ii) Subordinated Notes

Interest shall be payable on the Subordinated Notes to the extent funds are available in accordance with paragraph (DD) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payments on each Payment Date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes and the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of each such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date.

(b) ***Interest Accrual***

(i) Interest Accrual

Each 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 (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Subordinated Notes

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds remain available for distribution in accordance with the Priorities of Payments.

(c) ***Deferral of Interest***

(i) Deferred Interest

For so long as any of the Class A Notes and Class B Notes remain Outstanding, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes in full on any Payment Date, in each case to the

extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

- (ii) In the case of the Class C Notes, the Class D Notes, the Class E Notes or Class F Notes, for so long as any of the Class A Notes and the Class B Notes remain Outstanding, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class of Notes on any Payment Date (each such amount being referred to as “**Deferred Interest**”) will not be payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class of Notes, and the failure to pay such Deferred Interest to the holders of the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable, will not be a Note Event of Default until the Maturity Date or any earlier date when the Notes are redeemed in full, provided always however that if the relevant Class is the then Controlling Class, Deferred Interest shall not be added to the principal amount of such Class and failure to pay any Interest Amount due and payable on such Class within five Business Days (or seven Business Days due to an administrative error or omission in accordance with Condition 10(a) (*Note Events of Default*)) of the Payment Date in full will constitute a Note Event of Default. 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 payment of principal.

- (iii) Non-payment of Interest

Following redemption in full of the Class A Notes and the Class B Notes, non-payment of interest on the Class C Notes, and, following redemption in full of the Class A Notes, the Class B Notes and the Class C Notes, non-payment of interest on the Class D Notes, and, following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, non-payment of interest on the Class E Notes, and, following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, non-payment of interest on the Class F Notes, shall constitute a Note Event of Default following expiry of the applicable grace period.

- (d) ***Payment of Deferred Interest***

Deferred Interest in respect of any Class C Note, Class D Note, Class E Note or Class F Note shall only become payable by the Issuer in accordance with, respectively, paragraph (L), (O), (R) and (U) of the Interest Proceeds Priority of Payments, paragraph (C), (F), (I) and (L) of the Principal Proceeds Priority of Payments and paragraph (L), (O), (R) and (U) of the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence). For the avoidance of doubt, for so long as any Class A Notes and/or Class B Notes remain Outstanding, Deferred Interest on the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or the Class F Notes, as applicable will be added to the principal amount of the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or Class F Notes, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or Class F Notes, as applicable.

- (e) ***Interest on the Notes***

- (i) Floating Rate of Interest

The rate of interest from time to time in respect of the Class A Notes (the “**Class A Floating Rate of Interest**”), in respect of the Class B-1 Notes (the “**Class B-1 Floating Rate of Interest**”), in respect



of the Class C Notes (the “**Class C Floating Rate of Interest**”), in respect of the Class D Notes (the “**Class D Floating Rate of Interest**”), in respect of the Class E Notes (the “**Class E Floating Rate of Interest**”) and in respect of the Class F Notes (the “**Class F Floating Rate of Interest**”) (and each a “**Floating Rate of Interest**”) will be determined by the Calculation Agent on the following basis:

(A) On each Interest Determination Date:

- (1) in the case of the initial Accrual Period, the Calculation Agent will determine a straight line interpolation of the offered rate for 6 and 12 month Euro deposits;
- (2) at all other times, the Calculation Agent will determine the offered rate for 6 month Euro deposits,

in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question and subject to a floor of zero (“**EURIBOR**”). Such offered rate will be that which appears on the display designated on the Bloomberg Screen “BTMM EU” Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (as defined below) and the rate which so appears, all as determined by the Calculation Agent.

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market (the “**Reference Banks**”) to provide the Calculation Agent with:

- (1) the case of the initial Accrual Period, a straight line interpolation of the offered quotation for 6 and 12 month Euro deposits;
- (2) at all other times, the offered quotation for 6 month Euro deposits,
- (3) in each case, as at 11.00 am (Brussels time) on the Interest Determination Date in question and subject to a floor of zero. The Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest for such Accrual Period shall be the aggregate of the Applicable Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of 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 Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest, in each case in effect as at the immediately preceding Accrual Period.

(D) Where:

“**Applicable Margin**” means:

- (1) in the case of the Class A Notes: 1.25 per cent. per annum (the “**Class A Margin**”);
- (2) in the case of the Class B-1 Notes: 2.00 per cent. per annum (the “**Class B-1 Margin**”);
- (3) in the case of the Class C Notes: 2.90 per cent. per annum (the “**Class C Margin**”);
- (4) in the case of the Class D Notes: 3.70 per cent. per annum (the “**Class D Margin**”);
- (5) in the case of the Class E Notes: 5.90 per cent. per annum (the “**Class E Margin**”);  
and
- (6) in the case of the Class F Notes: 6.50 per cent. per annum (the “**Class F Margin**”).

(ii) Determination of Floating Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an “**Interest Amount**”) payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A Floating Rate of Interest in the case of the Class A Notes, the Class B-1 Floating Rate of Interest in the case of the Class B Note, the Class C Floating Rate of Interest in the case of the Class C Notes, the Class D Floating Rate of Interest in the case of the Class D Notes, the Class E Floating Rate of Interest in the case of the Class E Notes and the Class F Floating Rate of Interest in the case of the Class F Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) Calculation of Class B-2 Fixed Amounts

The Calculation Agent will calculate the amount of interest (an “**Interest Amount**”) payable in respect of original principal amount of the Class B-2 Notes equal to the Authorised Integral Amount for the relevant Accrual Period by applying the Class B-2 Fixed Rate in the case of the Class B-2 Notes to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the number of days in the Accrual Period concerned (the number of days to be calculated on the basis of a year of 360 days with 12 months of 30 days each), divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

“**Class B-2 Fixed Rate**” means 2.71 per cent. per annum.

(iv) Reference Banks and Calculation Agent

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Notes remains Outstanding:

- (A) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and
- (B) in the event that the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest are 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 paragraph (2) 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 any Floating Rate of Interest for any Accrual Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(v) Interest Proceeds in respect of Subordinated Notes

Solely in respect of Subordinated Notes, the Calculation Agent will on each Determination Date calculate the Interest Proceeds payable to the extent of available funds in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The Interest Proceeds payable on each Payment Date in respect of an original principal amount of Subordinated Notes equal to the Authorised Integral Amount applicable thereto shall be calculated by multiplying the amount of Interest Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (DD) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments and paragraph (AA) of the Post-Acceleration Priority of Payment by fractions equal to the amount of such Authorised Integral Amount, as applicable, divided by the aggregate original principal amount of the Subordinated Notes.

(vi) Publication of Floating Rates of Interest, Interest Amounts and Deferred Interest

The Calculation Agent will cause the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest and the Class F Floating Rate of Interest or the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes, Class E Notes or Class F 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 and the Collateral Manager, for so long as the Notes are listed on the regulated market of the Irish Stock Exchange, the Irish Stock Exchange, as soon as possible after their determination but in no event later than the fourth Business Day thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 16 (*Notices*) as soon as possible following notification to the Principal Paying Agent but in no event later than the third Business Day after such notification. The Interest Amounts in respect of the Class A Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes or the Payment Date in respect of any Class of Notes so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10(a) (*Note Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(f) ***Determination or Calculation by Trustee***

If the Calculation Agent does not at any time for any reason so calculate the Class A Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, the Class E Floating Rate of Interest or the Class F Floating Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and 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 6(f) (*Determination or Calculation by Trustee*).

(g) ***Notifications, etc. to be Final***

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders, save in the case that the Issuer certifies that any such notification, opinion, determination, certificate, quotation and decision is erroneous and the Issuer publishes a correction in accordance with Condition 16 (*Notices*), provided that the Trustee shall be under no obligation actively to monitor any such notifications, opinions, determinations, certificates, quotations and decisions for such errors. 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 6 (*Interest*).

**7. Redemption and Purchase**

(a) ***Final Redemption***

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Rated Notes will be redeemed at their Redemption Price in accordance with the Note Payment Sequence and the Subordinated Notes will be redeemed at the amount equal to their share of the amounts of Principal Proceeds to be applied towards such redemption pursuant to paragraph (S) of the Principal Proceeds Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

(b) ***Optional Redemption***

(i) Optional Redemption in Whole - Subordinated Noteholders

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*), 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 or any Refinancing Proceeds (or a combination thereof):

- (A) on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by an Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

- (B) upon the occurrence of a Collateral Tax Event, on any Business Day falling after such occurrence at the direction of the Subordinated Noteholders acting by Ordinary Resolution (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 Collateral 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 (in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below) on any Business Day falling on or after expiry of the Non-Call Period at the direction of the Subordinated Noteholders acting by Ordinary Resolution (as evidenced by duly completed Redemption Notices) or at the written direction of the Collateral 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 - Collateral Manager Clean-up Call

Subject to the provisions of Condition 7(b)(iv) (*Terms and Conditions of an Optional Redemption*) and Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*), the Rated Notes may be redeemed in whole but not in part by the Issuer, at the applicable Redemption Prices, from Sale Proceeds on any Business Day falling on or after expiry of the Non-Call Period if, upon or at any time following the expiry of the Non-Call Period, the Aggregate Collateral Balance is less than 20 per cent. of the Target Par Amount and if directed in writing by the Collateral Manager.

- (iv) Terms and Conditions of an Optional Redemption

In connection with any Optional Redemption:

- (A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption, 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 Collateral Manager no later than 30 days (or such shorter period of time as may be agreed by the Trustee and the Collateral Manager, (with regard to the Collateral Manager only, acting reasonably)) prior to the relevant Redemption Date;
    - (C) the Collateral Manager shall have no right or other ability under the Collateral Management Agreement (but without prejudice to its rights in respect of any Subordinated Notes which it or its Affiliates may hold) to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*);

- (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 or Collateral Manager*) may be effected solely from Refinancing Proceeds in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*) below.
- (v) Optional Redemption effected in whole or in part through Refinancing

Following receipt of, or as the case may be, confirmation from the Registrar of receipt of (i) a direction in writing from the requisite percentage of Subordinated Noteholders; or (ii) a direction in writing from the Collateral Manager, as the case may be, to exercise any right of optional redemption pursuant 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 or Collateral Manager*), 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 or Collateral Manager*) issue replacement notes (each, a “**Refinancing Obligation**”),

whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a “**Refinancing**”). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Collateral Manager and the Subordinated Noteholders (acting by Ordinary Resolution) and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*).

Refinancing Proceeds shall be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes in whole pursuant to Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*). In addition, Refinancing Proceeds may be applied in the redemption of the Rated Notes in part by Class pursuant to Condition 7(b)(ii) (*Optional Redemption in Part – Refinancing of a Class or Classes of Notes in whole by Subordinated Noteholders or Collateral Manager*).

- (A) 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*) as described above, such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to the Rating Agencies;
- (2) all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments and all other available funds will be at least sufficient to pay any Refinancing Costs and all amounts due and payable in respect of all Classes of Notes save for the Subordinated Notes (including without limitation Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) and all amounts payable in priority thereto pursuant to the Priorities of Payments (subject to any election to receive less than 100 per cent. of Redemption

Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

- (3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;
- (4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and
- (5) all Refinancing Proceeds and all Sale Proceeds, if any, from the sale of Collateral Debt Obligations and Eligible Investments, are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager (upon which certification the Trustee shall be entitled to rely without enquiry and without liability).

(B) 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 or Collateral Manager*), such Refinancing will be effective only if:

- (1) the Issuer provides prior written notice thereof to the Rating Agencies;
- (2) the Refinancing Obligations are in the form of notes;
- (3) any redemption of a Class of Notes is a redemption of the entire Class which is subject to the redemption;
- (4) the sum of (A) the Refinancing Proceeds and (B) the amount of Interest Proceeds standing to the credit of the Interest Account in excess of the aggregate amount of Interest Proceeds which would be applied in accordance with the Interest Proceeds Priority of Payments prior to paying any amount in respect of the Subordinated Notes on the next Payment Date will be at least sufficient to pay in full:
  - (a) the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to the Optional Redemption; plus
  - (b) all accrued and unpaid Trustee Fees and Expenses and Administrative Expenses in connection with such Refinancing;
- (5) the Refinancing Proceeds are used (to the extent necessary) to make such redemption;
- (6) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed;
- (7) the aggregate principal amount of the Refinancing Obligations in respect of each Class of Notes being redeemed is equal to the aggregate Principal Amount Outstanding of the relevant Class of Notes being redeemed with the Refinancing Proceeds;
- (8) the maturity date of each class of Refinancing Obligation is the same as the Maturity Date of the Class or Classes of Notes being redeemed with the Refinancing Proceeds;
- (9) the Applicable Margin (in the case of any Floating Rate Note) or fixed rate (in the case of any Fixed Rate Note) of any Refinancing Obligations will not be greater than the Applicable Margin or fixed rate, as applicable, of the Class or Classes of Rated Notes

subject to such Optional Redemption and, in respect of any Floating Rate Note, the rate of interest in respect thereof shall be determined on the same basis as set out in Condition 6(e)(i) (*Floating Rate of Interest*) determined unless, in each case, Rating Agency Confirmation from Fitch and Moody's is obtained;

- (10) payments in respect of the Refinancing Obligations are subject to the Priorities of Payments and rank at the same priority pursuant to the Priorities of Payments than the relevant Class or Classes of Rated Notes being redeemed;
- (11) the currency of denomination, the frequency of payment of interest and principal, voting rights, consent rights, redemption rights and all other rights of the Refinancing Obligations are the same as the corresponding Class of Rated Notes being redeemed; and
- (12) all Refinancing Proceeds are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as certified to the Issuer and the Trustee by the Collateral Manager (upon which certification the Trustee shall be entitled to rely without enquiry and 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 written notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

None of the Issuer, the Collateral Manager, the Collateral Administrator or the Trustee shall be liable to any party, including the Subordinated Noteholders, for any failure to obtain a Refinancing, and any such failure shall not constitute a Note Event of Default.

(C) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed to the extent which the Issuer certifies (upon which certification the Trustee shall be entitled to rely without enquiry and without liability) is necessary to reflect the terms of the Refinancing, subject to as provided below. 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, (i) would have the effect of exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties or decreasing the rights, powers, indemnities or protections of the Trustee under the Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer or any other party to the Transaction Document 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 Registrar of (i) a direction in writing from the required party or requisite percentage of Noteholders, as the case



may be, in accordance with Condition 7(b)(i) (*Optional Redemption in Whole - Subordinated Noteholders*) or Condition 7(g) (*Redemption following Note Tax Event*) or Condition 7(b)(iii) (*Optional Redemption in Whole - Collateral Manager Clean-up Call*), to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 17 Business Days prior to the scheduled Redemption Date (the “**Redemption Determination Date**”), provided that it has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral Manager or any of its Affiliates will be permitted to purchase Collateral Debt Obligations in the Portfolio where the Subordinated Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*).

The Notes shall not be optionally redeemed pursuant to this Condition 7(b)(vi) (*Optional Redemption in whole of all Classes of Notes effected through Liquidation only*) 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 Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which either (a) either (x) has a long-term senior unsecured credit rating of at least “A2” by Moody’s or, if it does not have a Moody’s long-term senior unsecured credit rating, a short-term senior unsecured rating of at least “P-1” by Moody’s, or (y) in respect of which a Rating Agency Confirmation from Moody’s has been obtained (provided, for the purposes of this clause (y), that a Rating Agency Confirmation cannot be deemed to not be required in these circumstances and must be provided as a positive confirmation)) and (b) either (x) has a long-term issuer credit rating of at least “A” by Fitch or, if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of “F1” by Fitch, or (y) in respect of which a Rating Agency Confirmation from Fitch has been obtained, to purchase (directly or by participation or other arrangement) from the Issuer, not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Portfolio at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date, to meet the Redemption Threshold Amount; or
- (B) (i) prior to selling any Collateral Debt Obligations and/or Eligible Investments, the Collateral Manager certifies to the Trustee (upon which certification the Trustee may rely without further enquiry and without liability) that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, 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.

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.

Any certification delivered by the Collateral 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 and/or Eligible Investments and (2) all calculations required by this

Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) (as applicable). The Trustee shall rely upon such certification without further enquiry and without liability. Any Noteholder, the Collateral Manager or any of the Collateral Manager's Affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Collateral Debt Obligations 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*).

If neither condition (A) nor (B) above is satisfied, the Issuer shall cancel the redemption of the Notes and shall give written notice of such cancellation to the Trustee, the Collateral 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 Collateral 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 Collateral Management Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Registrar in writing, whereupon the Registrar shall notify the Noteholders (in accordance with Condition 16 (*Notices*)) of such amounts.

Any exercise of a right of Optional Redemption by the Subordinated Noteholders pursuant to this Condition 7(b) (*Optional Redemption*) or the Controlling Class or the Subordinated Noteholders pursuant to Condition 7(g) (*Redemption following Note Tax Event*) shall be effected by delivery to a Transfer Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Noteholders of the Controlling Class (as applicable) of the Notes held thereby together with duly completed Redemption Notices not less than 30 days, or such shorter period of time as the Trustee and the Collateral Manager find acceptable prior to the proposed Redemption Date prior to the applicable Redemption Date. No Redemption Notice and Subordinated Note or Notes comprising the Controlling Class so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and, if applicable, the Collateral Manager.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty, the Liquidity Facility Provider and the Registrar in writing upon satisfaction of any of the conditions set out in this 7(b) (*Optional Redemption*) and shall arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Rated Notes in accordance with this 7(b) (*Optional Redemption*) in the Payment Account on the applicable Redemption Date (in the case of a Refinancing) or on the Business Day prior to the applicable Redemption Date (in the case of a redemption by liquidation). Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of all the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments. Refinancing Proceeds received in connection with a redemption in whole of a Class of Rated Notes (other than a redemption in whole of all Classes of Rated Notes) shall be paid to the holders of such Class of Notes to the extent required to redeem such Class of Notes.

(viii) Optional Redemption of Subordinated Notes

The Subordinated Notes may be redeemed at their Redemption Price, in whole but not in part, on any Business Day 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 Collateral Manager.

(c) ***Mandatory Redemption upon Breach of Coverage Tests***

(i) Class A Notes and Class B Notes

If the Class A/B Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class A/B Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes and the Class B Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Tests are satisfied if recalculated following such redemption.

(ii) Class C Notes

If the Class C Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes and the Class C Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iii) Class D Notes

If the Class D Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and each Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(iv) Class E Notes

If the Class E Par Value Test is not met on any Determination Date on and after the Effective Date or if the Class E Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date and each Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied in redemption of the Rated Notes in accordance with the Note Payment Sequence, on the related Payment Date in accordance with and subject to the Priorities of Payments (including payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated following such redemption.

(d) ***Special Redemption***

A special redemption (“**Special Redemption**”) of the Notes may occur in the circumstances described in (A), (B) and (C) below. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility for, any Noteholder or any other person for the exercise or non-exercise (as applicable) of such Special Redemption.

- (A) During the Reinvestment Period, principal payments on the Notes shall be made in accordance with paragraph (W) of the Interest Proceeds Priority of Payments if (x) the

Interest Diversion Test is not met, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) thereof, and (y) the Collateral Manager determines in its discretion that it is unable to identify such 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 Collateral Manager) shall be applied in redemption of the Notes in accordance with the Note Payment Sequence.

- (B) 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 Collateral Manager (acting on behalf of the Issuer) if, at any time during the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) certifies to the Trustee (upon which certification the Trustee may rely without further enquiry or liability) that using reasonable endeavours it has been unable, for a period of 20 consecutive Business Days, to identify additional Collateral Debt Obligations or Substitute Collateral Debt Obligations that are deemed appropriate by the Collateral Manager (acting on behalf of the Issuer) in its discretion and 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 (N) of the Principal Proceeds Priority of Payments. Notice of payments pursuant to this Condition 7(d)(B) 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. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility for, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.
- (C) Following the Reinvestment Period, principal payments on the Notes shall be made in accordance with paragraph (W) of the Interest Proceeds Priority of Payments if the Interest Diversion Test is not met, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (V) thereto. In such circumstances, an amount up to the applicable Required Diversion Amount shall be applied in redemption of the Notes in accordance with the Note Payment Sequence.

(e) ***Redemption upon Effective Date Rating Event***

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, in each case, until redeemed in full or, if earlier, until an Effective Date Rating Event is no longer continuing.

(f) ***Redemption following Expiry of the Reinvestment Period***

Following expiry of the Reinvestment Period, the Issuer shall, on each Payment Date occurring thereafter, apply Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date

in redemption of the Notes at their applicable Redemption Prices in accordance with the Priorities of Payments.

(g) ***Redemption following Note Tax Event***

Upon the occurrence of a Note Tax Event, the Issuer shall, subject to and in accordance with the terms of the Trust Deed, use all reasonable efforts to change the territory in which it is resident for tax purposes to another jurisdiction which, at the time of such change, would not give rise to a Note Tax Event. Upon the earlier of (a) the date upon which the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further enquiry or liability) and notifies (or procures the notification of) 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 in writing and the Noteholders in accordance with Condition 16 (*Notices*) that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), 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 Business Day thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; provided further that such redemption of the Notes, whether pursuant to the exercise of such option by the Controlling Class or the Subordinated Noteholders, shall take place in accordance with the procedures set out in Condition 7(b)(vii) (*Mechanics of Redemption*).

(h) ***Redemption***

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) ***Cancellation and Purchase***

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein, for cancellation pursuant to Condition 7(k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

(j) ***Notice of Redemption***

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given promptly in writing to the Trustee, the Noteholders in accordance with Condition 16 (*Notices*) and the Rating Agencies.

(k) ***Purchase***

On any Payment Date, at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with and subject to the terms of the Collateral Management Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using amounts standing to the credit of the Contributions Account.

No purchase of Rated Notes by the Issuer may occur unless each of the following conditions is satisfied:

(A)

- (1) such purchase of Rated Notes shall occur in the following sequential order of priority: first, the Class A Notes, until the Class A Notes are redeemed or purchased in full and cancelled; second, the Class B Notes, until the Class B Notes are redeemed or purchased in full and cancelled; third, the Class C Notes, until the Class C Notes are redeemed or purchased in full and cancelled; fourth, the Class D Notes, until the Class D Notes are redeemed or purchased in full and cancelled; fifth, the Class E Notes, until the Class E Notes are redeemed or purchased in full and cancelled; and sixth, the Class F Notes, until the Class F Notes are redeemed or purchased in full and cancelled;
  - (2) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class, by notice to such holders, which notice shall specify the purchase price (as a percentage of par) at which such purchase will be effected, the maximum amount of Principal Proceeds and amounts standing to the credit of the Contributions Account that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;
  - (3) 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
- (B) 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;
  - (C) each such purchase shall be effected only at prices discounted from par;
  - (D) each such purchase of Rated Notes shall occur prior to the expiry of the Reinvestment Period;
  - (E) each Coverage Test is satisfied immediately prior to each such purchase and will be satisfied after giving effect to such purchase or, if any Coverage Test is not satisfied it shall be at least maintained or improved after giving effect to such purchase as it was immediately prior thereto;
  - (F) if Sale Proceeds are used to consummate any such purchase, either:
    - (1) each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Test will be satisfied after giving effect to such purchase; or
    - (2) if any requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Test was not satisfied immediately prior to such purchase, such requirement or test will be maintained or improved after giving effect to such purchase;
  - (G) no Note Event of Default shall have occurred and be continuing;
  - (H) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;
  - (I) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of Ireland); and
  - (J) the Issuer shall have given prior notice of such purchase to the Rating Agencies.

The Issuer shall surrender any purchased Rated Notes to the Registrar for cancellation and upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation.

## **8. Payments**

### **(a) *Method of Payment***

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent or any Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer drawn on a bank in Western Europe and posted on the Business Day immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Note appearing on the Register at the close of business on the Record Date at his address shown on the register on the Record Date. Upon application of the holder to the specified office of the Principal Paying Agent or any Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

### **(b) *Payments***

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*). No commission shall be charged to the Noteholders.

### **(c) *Payments on Presentation Dates***

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, Transfer Agents and Sub-Registrar***

The names of the initial Principal Paying Agent, Transfer Agents and the Sub-Registrar and their initial specified offices are set out below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent, any Transfer Agent and the Sub-Registrar and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive, in each case, as approved in writing by the Trustee and shall procure that it shall at all times maintain a Custodian, Account Bank, Collateral Manager and Collateral Administrator. Notice of any change in any Agent or their specified offices or in the Collateral Manager or Collateral Administrator will promptly be given to the Noteholders by the Issuer in accordance with Condition 16 (*Notices*).

## **9. Taxation**

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for 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 any other jurisdiction having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments made to Noteholders of any Class and shall withhold or deduct from any such

payments any amounts on account of such tax where so required by law or any such relevant taxing authority or in connection with FATCA (including any voluntary agreement entered into with a taxing authority pursuant thereto). Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10(a) (*Note Events of Default*).

Subject as provided below, if the Issuer certifies to the Trustee (upon which certification the Trustee may rely without further enquiry and without liability) that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of Ireland to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction, subject to receipt 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:

- (i) due to any present or former connection of any Noteholder (or between a fiduciary, settlor, beneficiary, member or shareholder of such Noteholder if such Noteholder is an estate, a trust, a partnership, or a corporation) with Ireland (including without limitation, such Noteholder (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having had a permanent establishment therein) otherwise than by reason only of the holding of any Note or receiving principal or interest in respect thereof;
- (ii) by reason of the failure by the relevant Noteholder to comply with any provisions of the Transaction Documents which set out 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;
- (iii) in respect of a payment made or secured for the immediate benefit of an individual or a non corporate entity which is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive or any arrangement entered into between the Member States and certain third countries and territories in connection with such directive;
- (iv) 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;
- (v) in connection with FATCA; or
- (vi) any combination of the preceding clauses (i) through (v) inclusive,

the requirement to substitute the Issuer as a principal obligor and/or change its residence for taxation purposes shall not apply.

Any withholding or deduction required from amounts payable by the Issuer pursuant to this Condition 9 (*Taxation*) shall be deemed to be included in the same paragraph in the Priorities of Payments as the paragraph which contains the payment in respect of which such withholding or deduction is required to be made.

## **10. Events of Default**

### **(a) *Note Events of Default***

Any of the following events shall constitute a “**Note Event of Default**”:



(i) Non-payment of interest

the Issuer fails to pay any Interest Amounts in respect of the Class A Notes and the Class B Notes when the same becomes due and payable or, following redemption and payment in full of the Class A Notes and the Class B Notes, the Issuer fails to pay any Interest Amounts in respect of any Class C Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes, the Issuer fails to pay any Interest Amounts in respect of any Class D Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Issuer fails to pay any Interest Amounts in respect of any Class E Note when the same becomes due and payable or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the Issuer fails to pay any Interest Amounts in respect of any Class F Note when the same becomes due and payable, and, in each case, failure to pay such interest in such circumstances continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days;

(ii) Non-payment of principal

the Issuer fails to pay any principal when the same becomes due and payable on any Redemption Date and such failure to pay such principal continues for a period of at least five Business Days provided that, in the case of a failure to disburse due to an administrative error or omission, such failure continues for a period of at least seven Business Days after the Trustee or the Issuer receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute a Note Event of Default;

(iii) Default under Priorities of Payments

the failure on any Payment Date to disburse amounts (other than (i) or (ii) above) available in the Payment Account in excess of €1,000 and payable in accordance with the Priorities of Payments and continuation of such failure for a period of ten Business Days or, in the case of a failure to disburse due to an administrative error or omission, such failure continues for ten Business Days after the Trustee or the Issuer receives written notice of, or (in the case of the Issuer) has actual knowledge of, such administrative error or omission;

(iv) Collateral Debt Obligations

on any Measurement Date on and after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to the Aggregate Collateral Balance and (ii) the denominator of which is equal to the Principal Amount Outstanding of the Class A Notes to equal or exceed 102.5 per cent.;

(v) Breach of Other Obligations

except as otherwise provided in this definition of “Note Event of Default” a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed (provided that any failure to meet any Portfolio Profile Test, the Interest Diversion Test, Collateral Quality Test or Coverage Test is not a Note Event of Default and any failure to satisfy the Effective Date Determination Requirements is not a Note Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation or warranty of the Issuer made in the Trust Deed, these Conditions or, in either case, in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, which default, breach or

failure is materially prejudicial, in the opinion of the Trustee, to the interests of the Noteholders of any Class and the continuation of such default, breach or failure for a period of 30 days after notice to the Issuer and the Collateral Manager by registered or certified mail or courier, from the Trustee, the Issuer, or the Collateral Manager, or to the Issuer, the Collateral Manager and the Trustee from the Controlling Class acting pursuant to an Ordinary Resolution, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a “Notice of Default” under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 day period specified above, such default, breach or failure shall not constitute a Note Event of Default under this paragraph (v) unless (A) it continues for a period of 45 days (rather than, and not in addition to, such 30 day period specified above) after notice thereof in accordance herewith, or (B) if such default, breach or failure is in respect of payments made under the Priorities of Payments and can be cured only on a Payment Date, it continues after the next Payment Date.

(vi) **Insolvency Proceedings**

proceedings are initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, “**Insolvency Law**”), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, curator, or other similar official appointed in connection with any Insolvency Law or a security enforcement or related proceedings (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 and in any of the foregoing cases, except in relation to the appointment of a Receiver, is not discharged within 30 days; or the Issuer is subject to, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) **Illegality**

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) **Investment Company Act**

the Issuer or any of the Collateral becomes required to register as an “Investment Company” under the Investment Company Act and such requirement continues for 45 days.

(b) ***Acceleration***

- (i) 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 way of Ordinary Resolution, (provided that the Trustee shall not be obliged to take any action unless indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer and the Collateral Manager that all the Notes are immediately due and repayable at their applicable Redemption Prices (such notice, an “**Acceleration Notice**”), provided that following the occurrence of a Note Event of Default described in paragraph (vi) or (vii) of the definition thereof, such notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable at their applicable Redemption Prices.
- (ii) Upon any such notice being given or deemed to have been given to the Issuer in accordance with Condition 10(b)(i) (*Acceleration*) all of the Notes shall immediately become due and repayable at their applicable Redemption Prices.

(c) ***Curing of Default***

At any time after a notice of acceleration of maturity of the Notes has been given pursuant to Condition 10(b) (*Acceleration*) following the occurrence of a Note Event of Default (other than with respect to a Note Event of Default occurring under paragraph (vi) or (vii) of the definition thereof where such notice is not required) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Ordinary Resolution, (provided that the Trustee shall not be obliged to take any action unless indemnified and/or secured and/or prefunded to its satisfaction) rescind and annul such notice of acceleration under paragraph (b)(i) above 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;
  - (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 Trustee Fees and Expenses (without regard to the Senior Expenses Cap);
  - (D) all unpaid Administrative Expenses (without regard to the Senior Expenses Cap);
  - (E) all amounts due and payable by the Issuer under any Hedge Transaction;
- (ii) the Trustee has determined that all Note Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Note Events of Default, have been cured or waived.

All amounts received in respect of this Condition 10(c) (*Curing of Default*), shall be distributed two Business Days following the receipt by the Trustee of written notice from the Issuer confirming that the Issuer has received such amounts, in accordance with the Post-Acceleration Priority of Payments.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently requested, accelerates the Notes in accordance with Condition (b)10(b) (*Acceleration*) above or if the Notes are automatically accelerated in accordance with paragraph (b)(i) above.

(d) ***Restriction on Acceleration of Notes***

No acceleration of the Notes shall be permitted pursuant to this Condition 10(d) (*Restriction on Acceleration of Notes*) 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 in writing the Trustee, the Collateral Manager, the Noteholders in accordance with Condition 16 (*Notices*) and each Hedge Counterparty 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 and upon 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) ***Collateral Manager Events of Default***

Any of the following events shall constitute a "Collateral Manager Event of Default":

- (i) the Collateral Manager wilfully breaches, or wilfully takes any action that it knows violates any material provision of the Collateral Management Agreement or any other Transaction Document applicable to the Collateral Manager (it being understood that any action or failure to act by the Collateral Manager, including but not limited to any decision to buy or sell a Collateral Debt Obligation, based on its good faith interpretation (and where appropriate based on advice from legal counsel) of the Transaction Documents will not be considered a wilful breach or violation);
- (ii) the Collateral Manager breaches any material provision of the Collateral Management Agreement or any terms of any other Transaction Document applicable to it that, either individually or in the aggregate, is or could reasonably be expected to be, in the opinion of the Trustee, materially prejudicial to the interests of the holders of any Class of Notes (excluding for purposes of this paragraph (ii) any actions referred to in paragraph (i) above) and fails to cure such breach within 30 days of becoming aware of, or receiving notice from the Issuer or the Trustee of, such breach or, if such breach is not capable of cure within 30 days, the Collateral Manager fails to cure such breach within the period in which a reasonably diligent person could cure such breach (but in no event more than 90 days);
- (iii) certain bankruptcy events (excepting consolidation, amalgamation or merger) occur with respect to the Collateral Manager or Sub-Manager as described in the Collateral Management Agreement;
- (iv) the occurrence of a Note Event of Default that arises directly from a breach or default of the Collateral Manager's duties under the Collateral Management Agreement, which breach or default is not cured within any applicable cure period set forth in the Conditions;
- (v) any action is taken by the Collateral Manager, the Sub-Manager or any of their senior executive officers involved in the management of any of the Collateral Debt Obligations, that constitutes fraud or criminal activity in connection with the performance of the Collateral Manager's obligations under the Collateral Management Agreement or the Sub-Manager's obligations under the Collateral Sub-Management Agreement, as the case may be;
- (vi) the Collateral Manager or the Sub-Manager is indicted, or any of their senior executive officers is convicted, of a criminal offence under the laws of any jurisdiction in which it conducts business, materially related to the Collateral Manager's or the Sub-Manager's asset management business, unless, (A) in the case of a conviction of a senior executive officer of the Collateral Manager or the Sub-Manager, such senior executive officer has, within 30 days after such occurrence, been removed from performing work in fulfilment of the Collateral Manager's or Sub-Manager's obligations under the Collateral Management Agreement or the Collateral Sub-Management Agreement, as the case may be, or (B) in the case of an indictment arising from practices that have become the subject of contemporaneous actions against multiple un-affiliated investment advisers in the same jurisdiction or regulatory region, such indictment has been cured or dismissed within 30 days; or
- (vii) the Collateral Manager resigning pursuant to the terms of the Collateral Management Agreement.

Pursuant to the terms of the Collateral Management Agreement:

- (A) following occurrence of a Collateral Manager Event of Default pursuant to paragraphs (i) to (vi) of the definition thereof the Collateral Manager may be removed by the Issuer at the direction of (i) the Controlling Class (acting by Extraordinary Resolution) or (ii) the holders of the Subordinated Notes acting by Extraordinary Resolution (in each case excluding (x) any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes, and (y) those Notes held by the Collateral Manager, the Sub-Manager or any of its Affiliates) upon 10 Business Days' prior written notice to the Collateral Manager, the Trustee, the Noteholders in accordance with Condition 16 (*Notices*), the Hedge Counterparties and each Rating Agency;

- (B) written notice shall be given in respect of the occurrence of a Collateral Manager Event of Default, by the Collateral Manager to the Issuer, the Trustee, the Collateral Administrator, the Noteholders in accordance with Condition 16 (*Notices*), the Hedge Counterparties and each Rating Agency; and
- (C) upon the occurrence of a removal of the Collateral Manager or a Collateral Manager Event of Default pursuant to paragraph (vii) of the definition thereof, the Controlling Class (excluding the holders of any CM Non-Voting Exchangeable Notes and CM Non-Voting Notes) and the Subordinated Noteholders will have certain rights with respect to the appointment of a successor collateral manager, as more fully described in the Collateral Management Agreement.

Notwithstanding the above, no purported resignation or removal of the Collateral Manager shall be effective until a successor Collateral Manager has been appointed in the manner specified in the Collateral Management Agreement.

## 11. Enforcement

### (a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral (and if applicable, the security constituted by the Euroclear Security Agreement over the Collateral) shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

### (b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion, but subject always to Condition 4(c) (*Limited Recourse and Non-Petition*) and shall, if so directed by the Controlling Class acting by Ordinary Resolution, institute such proceedings or take any other action against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce or realise the security over the Collateral in accordance with the Trust Deed (such actions together, “**Enforcement Actions**”), in each case without any liability as to the consequence of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and conflicts of interest*)) to the effect of such action on individual Noteholders of any Class or any other Secured Party provided further that:

- (i) no such Enforcement Action may be taken by the Trustee unless:
  - (A) (subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction), the Trustee (or an agent or other appointee on its behalf, including, without limitation, the Collateral Manager (an “**Enforcement Agent**”)) determines (subject to paragraph (ii) below) (in accordance with Condition 11(b)(iii) below that the anticipated proceeds realised from such Enforcement Action (after deducting and allowing for any expenses properly incurred in connection therewith) would be sufficient to discharge in full all amounts due and payable in respect of all Classes of Notes (including, without limitation, Deferred Interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) other than the Subordinated Notes and all amounts payable in priority thereto pursuant to the Post-Acceleration Priority of Payments (such amount the “**Enforcement Threshold**” and such determination being an “**Enforcement Threshold Determination**”), subject to consultation with the Collateral Manager; or
  - (B) if the Enforcement Threshold will not have been met then subject to paragraph (ii) below:

- (1) in the case of a Note Event of Default specified in sub-paragraph (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) directs the Trustee to take Enforcement Action without regard to any other Note Event of Default which has occurred prior to, contemporaneously or subsequent to such Note Event of Default; or
  - (2) in the case of any other Note Event of Default, the Noteholders of each Class of Rated Notes voting separately by Class by way of Ordinary Resolution direct the Trustee to take Enforcement Action.
- (ii) the Trustee shall not be bound to institute any Enforcement Action or take any other action unless it is directed to do so by the Controlling Class or, in the case of Condition 11(b)(i)(B)(2) 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 A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution;
- (iii) the Trustee shall determine or shall request that an Enforcement Agent determines the aggregate proceeds that can be realised pursuant to any Enforcement Action by using reasonable efforts to obtain (with the cooperation of the Collateral Manager if requested by the Trustee and in each case to the extent the Collateral Manager is not the Enforcement Agent), bid prices with respect to each asset comprising the Portfolio from two recognised dealers at the time making a market therein and shall compute the anticipated proceeds of sale or liquidation on the basis of the lower of such bid prices for each such asset. In the event that the Enforcement Agent (with the cooperation of the Collateral Manager if requested by the Trustee and in each case to the extent the Collateral Manager is not the Enforcement Agent), is only able to obtain bid prices with respect to an asset from one recognised dealer at the time making a market therein, the Enforcement Agent shall compute the anticipated proceeds of sale or liquidation on the basis of such one bid price. The Trustee may rely on the determination of such Enforcement Agent without liability. 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 and/or advice of an independent investment banking firm, or other appropriate financial or legal advisor (the cost of which shall be payable to the Trustee as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders in accordance with Condition 16 (*Notices*), the Issuer, the Agents, the Collateral Manager, each Hedge Counterparty and the Rating Agencies in the event that the Trustee or an Enforcement Agent on its behalf makes an Enforcement Threshold Determination at any time or the Trustee takes any Enforcement Action at any time (such notice an “**Enforcement Notice**”). Following the delivery of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption following Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral, and/or Swap Tax Credits (which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments) or any Prefunded Commitment Utilisation which is required to be paid or returned to the Liquidity Facility Provider outside the Priorities of Payment in accordance with the Liquidity Facility Agreement) and , shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the “**Post-Acceleration Priority of Payments**”):

- (A) to the payment of taxes owing by the Issuer accrued in respect of the related Due Period (other than Irish corporate income tax in relation to the amounts equal to the minimum profit referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, and to the payment of amounts equal to the minimum profit to be retained by the Issuer for Irish tax purposes, for deposit into the Issuer Irish Account from time to time;
- (B) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap, provided that following the occurrence of an Event of Default which is continuing, the Senior Expenses Cap shall not apply;
- (C) to the payment of accrued and unpaid Administrative Expenses in the order of priority specified therein, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period, less any amounts paid pursuant to item (B) above, provided that following the occurrence of an Event of Default which is continuing, the Senior Expenses Cap shall not apply;
- (D) to the payment of any Liquidity Payments due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;
- (E) to the payment on a pro rata and pari passu basis, of any Scheduled Periodic Interest Rate Hedge Issuer Payments (to the extent not paid or provided for out of the Interest Account), Scheduled Periodic Asset Swap Issuer Payments (to the extent not paid or provided for out of the relevant Non-Euro Hedge Account) and Hedge Termination Payments (other than Defaulted Hedge Termination Payments);
- (F) to the payment:
  - (1) firstly, on a pro rata and pari passu basis (x) on a pro rata basis to the Collateral Manager of the Senior Collateral Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts which shall not be paid pursuant to this paragraph; and
  - (2) secondly, to the Collateral Manager, any previously due and unpaid Senior Collateral Management Fees (other than Deferred Senior Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority),
- (G) to the payment on a pro rata and pari passu basis of all Interest Amounts due and payable on the Class A Notes;
- (H) to the redemption on a pro rata and pari passu basis of the Class A Notes, until the Class A Notes have been redeemed in full;
- (I) to the payment on a pro rata and pari passu basis of the Interest Amounts due and payable on the Class B Notes;
- (J) to the redemption on a pro rata and pari passu basis of the Class B Notes, until the Class B Notes have been redeemed in full;
- (K) to the payment on a pro rata and pari passu basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

- (L) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class C Notes;
- (M) to the redemption on a pro rata and pari passu basis of the Class C Notes, until the Class C Notes have been redeemed in full;
- (N) to the payment on a pro rata and pari passu basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;
- (O) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class D Notes;
- (P) to the redemption on a pro rata and pari passu basis of the Class D Notes, until the Class D Notes have been redeemed in full;
- (Q) to the payment on a pro rata and pari passu basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;
- (R) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class E Notes;
- (S) to the redemption on a pro rata and pari passu basis of the Class E Notes, until the Class E Notes have been redeemed in full;
- (T) to the payment on a pro rata and pari passu basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class F Notes;
- (U) to the payment on a pro rata and pari passu basis of any Deferred Interest on the Class F Notes;
- (V) to the redemption on a pro rata and pari passu basis of the Class F Notes, until the Class F Notes have been redeemed in full;
- (W) to the payment:
  - (1) firstly, to the Collateral Manager of the Subordinated Collateral Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority);
  - (2) secondly, to the Collateral Manager of any previously due and unpaid Subordinated Collateral Management Fee (other than Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or, other than following an enforcement of the Notes in accordance with Condition 11 (*Enforcement*), directly to the relevant taxing authority);
  - (3) thirdly, pro rata and pari passu to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts, the deferral of which has been rescinded by the Collateral Manager; and
  - (4) fourthly, to the repayment of any Collateral Manager Advances and any interest thereon.



- (X) to the payment of Trustee Fees and Expenses, not paid by reason of the Senior Expenses Cap (if any);
- (Y) to the payment of Administrative Expenses in the order of priority specified therein, not paid by reason of the Senior Expenses Cap (if any);
- (Z) to the payment on a pro rata basis of any Defaulted Hedge Termination Payments due to any Hedge Counterparty; and
- (AA)
  - (1) if the Incentive Collateral Management Fee IRR Threshold has not been reached, any remaining Interest Proceeds and Principal Proceeds to the payment on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption), until the Incentive Collateral Management Fee IRR Threshold is reached; and
  - (2) if, after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on the date of such distribution including pursuant to paragraphs (1) above, (DD) of the Interest Proceeds Priority of Payments, paragraph (S) of the Principal Proceeds Priority of Payments, the Incentive Collateral Management Fee IRR Threshold has been reached (on or prior to such Payment Date):
    - (a) firstly, 20 per cent. of any remaining Interest Proceeds and Principal Proceeds, to the payment to the Collateral Manager as an Incentive Collateral Management Fee;
    - (b) secondly, any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant tax authority); and
    - (c) thirdly, any remaining Interest Proceeds and Principal Proceeds, to the payment on the Subordinated Notes on a pro rata basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes and immediately prior to such redemption).

Subject to the specific provision that is made in (W)(1) above in relation to value added tax in respect of the Subordinated Collateral Management Fee that is payable to the relevant tax authority, where the payment of any amount in accordance with the Priorities of Payments set out above is subject to any deduction or withholding for or on account of any tax or any other tax is payable by or on behalf of the Issuer in respect of any such amount, payment of the amount so deducted or withheld or of the tax so due shall be made to the relevant taxing authority *pari passu* with and, so far as possible, at the same time as the payment of the amount in respect of which the relevant deduction or withholding or other liability to tax has arisen.

Notwithstanding anything contained in the Priorities of Payment above, the net proceeds of enforcement of the security created by the Trust Deed in favour of the Trustee for the benefit of the Liquidity Facility Provider shall be credited to such account as the Liquidity Facility Provider shall designate and the Trustee shall hold all moneys received by it under or pursuant to the Trust Deed in connection with the realisation or enforcement of all or part of the security created in favour of the Trustee for the benefit of the Liquidity Facility Provider, whether before or after the occurrence of an Note Event of Default, in trust for the benefit of the Liquidity Facility Provider.

(c) ***Only Trustee to Act***

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. 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 Payments, no Noteholder or other Secured Party may take any further steps against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer to recover any sum still unpaid in respect of the Notes or the Issuer's obligations to such Secured Party and all claims against the Issuer in respect of such sums unpaid shall be extinguished. In particular, none of the Trustee, any Noteholder or any other Secured Party shall be entitled in respect thereof to petition or take any other step for the winding up of the Issuer except to the extent permitted under the Trust Deed.

(d) ***Purchase of Collateral by Noteholders***

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b) (*Acceleration*), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder 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 Payments out of the net proceeds of such sale 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 ten years, in the case of principal, from the date on which payment in respect of such Notes is received by the applicable Paying Agent.

**13. Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of any 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 any Class thereof (and 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 or, to the extent specified in any applicable Transaction Document, as a Class of Noteholders acting independently or, as the case may be, by Unanimous Resolution. Such Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table “Minimum Percentage Voting Requirements” in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee (subject to being indemnified to its satisfaction) or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods.

The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the holders of only 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 and not the holders of any other Notes as set forth in the tables below.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to the Rating Agencies in writing.

(ii) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class 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
Unanimous Resolution	One or more persons holding or representing not less than 100 per cent. of the aggregate Principal Amount Outstanding of the Notes of the relevant Class	One or more persons holding or representing not less than 100 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)

Ordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the Notes of the relevant Class or Classes only, if applicable)
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The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) Minimum Voting Rights

Set out in the table “Minimum Percentage Voting Requirements” below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are entitled, represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

**Minimum Percentage Voting Requirements**

Type of Resolution	Per cent.
Unanimous Resolution of all Noteholders of a certain Class or Classes only	Not less than 100 per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Not less than 66⅔ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) Written Resolutions

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any Unanimous Resolution, Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) All Resolutions Binding

Subject to Condition 14(e) (*Entitlement of the Trustee and conflicts of interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) Extraordinary Resolution

Subject to paragraph (ix) (*Unanimous Resolution*) and to the right of veto of the Retention Holder referred to in paragraph (x) (*Retention Holder Veto*) below, any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document, as applicable):

- (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 (other than in the case of a Refinancing);
- (B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated (other than in the case of 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 (other than in the case of a Refinancing);
- (D) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class other than in connection with a further issue of Notes pursuant to Condition 17 (*Additional Issuance*);
- (E) a change in the currency of payment of the Notes of a Class;
- (F) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;
- (G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of the Trust Deed or 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

Subject to the right of veto of the Retention Holder referred to in paragraph (x) (*Retention Holder Veto*) below, any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have the power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above and (ix) (*Unanimous Resolution*) below.

(viii) Matters affecting a certain Class of Notes

Matters affecting the interests of only one Class (in the opinion of the Trustee) shall only be considered by and voted upon at a meeting of Noteholders of that Class or by written resolution of the holders of that Class.

(ix) Unanimous Resolution

In connection with Condition 7(b)(iv)(B), any Resolution to sanction a decrease in the Redemption Price in respect of a Class of Notes will be required to be passed by a Unanimous Resolution of the

Noteholders of such Class of Notes (in each case, subject to anything else specified in the Trust Deed, the Collateral Management Agreement or the relevant Transaction Document, as applicable).

(x) **Retention Holder Veto**

Provided that no Retention Event has occurred and is continuing, no modification or any Resolution to approve the modification of the Eligibility Criteria, the Portfolio Profile Tests, the Collateral Quality Tests, the Reinvestment Criteria, or any material changes to the foregoing, or the appointment of a replacement Collateral Manager (other than a replacement Collateral Manager appointed upon the removal of the Retention Holder or any Affiliate of the Retention Holder), will be effective without the consent in writing of the Retention Holder. If a Retention Event has occurred and is continuing, the Retention Holder shall have no veto rights in accordance with this Condition, however, this shall not affect the rights of the Retention Holder to exercise its rights as Noteholder.

(c) **Modification and Waiver**

The Trust Deed and the Collateral Management Agreement both provide that, without the consent of the Noteholders (save where such consent is specified below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto, except as otherwise provided therein) (as applicable), subject to the rights of veto of the Retention Holder referred to in Condition 14(b)(x) (*Retention Holder Veto*) and the Trustee shall, without the consent or sanction of any of the Noteholders or any other Secured Party, consent to such amendment, modification, supplement or waiver, subject as provided below (other than an amendment, modification, supplement or waiver, pursuant to paragraphs (xi), (xii) and (xiii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

- (i) to add to the covenants of the Issuer for the benefit of the Noteholders;
- (ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;
- (iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or subject to the security of the Trust Deed any additional property;
- (iv) to evidence and provide for the acceptance of appointment under the Trust Deed by a successor Trustee subject to and in accordance with the terms of the Trust Deed and to add to or change any of the provisions of the Trust Deed as shall be necessary to facilitate the administration of the trusts under the Trust Deed by more than one Trustee, pursuant to the requirements of the relevant provisions of the Trust Deed;
- (v) to make such changes as shall be necessary or advisable in order for the Notes of each Class to be (or to remain) listed on the regulated market of the Irish Stock Exchange or any other exchange;
- (vi) save as contemplated in paragraph (d) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;
- (vii) to take any action advisable to reduce the risk that the Issuer will be treated as resident in the UK for UK tax purposes, as trading in the UK for UK tax purposes or as subject to value added tax in respect of any Collateral Management Fees;
- (viii) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

- (ix) to reduce the risk that the Issuer may be treated as other than a corporation for U.S. federal income tax purposes;
- (x) to modify the restrictions on and procedures for resales 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 and transfer to the extent not required thereunder;
- (xi) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management Agreement (as applicable) as well as any amendment, modification or waiver of such additional agreements if the Trustee determines that such entry, amendment, modification or waiver would not, upon becoming effective, be materially prejudicial to the interests of the Noteholders of any Class, in each case provided that any such additional agreements include customary limited recourse and non-petition provisions;
- (xii) to make any other modification of any of the provisions of the Trust Deed, the Collateral 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;
- (xiii) to make any other modification (save as otherwise provided in the Trust Deed, the Collateral 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;
- (xiv) to amend the name of the Issuer;
- (xv) to make any amendments to the Trust Deed to enable the Issuer to achieve FATCA Compliance;
- (xvi) to modify or amend any components of (i) the Moody's Test Matrix or (ii) the Fitch Tests Matrix, subject to receipt of Rating Agency Confirmation from the applicable Rating Agency and the consent of the Controlling Class acting by Ordinary Resolution;
- (xvii) subject to Rating Agency Confirmation and the consent of the Controlling Class acting by Ordinary Resolution, to make any modifications to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria and all related definitions (including in order to reflect changes in the methodology applied by the Rating Agencies);
- (xviii) to make any changes necessary to permit any additional issuances of Notes or to issue replacement notes in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);
- (xix) 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 subject to receipt of Rating Agency Confirmation from the Rating Agency to which such waiver, modification, requirement or condition relates or (ii) to otherwise conform any Transaction Document to the Prospectus;
- (xx) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;
- (xxi) to modify the Transaction Documents in order to comply with the European Market Infrastructure Regulation (Regulation (EU) No 648/2012), including any implementing regulation, technical standards and guidance related thereto;
- (xxii) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in part in accordance with Condition 7(b)(v) (*Optional Redemption effected in whole or in part through Refinancing*);

- (xxiii) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document to comply with changes in the Retention Requirements or the requirements of Solvency II or which result from the implementation of the implementing technical standards relating thereto or any subsequent risk retention legislation or official guidance;
- (xxiv) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management Agreement or any other Transaction Document to comply with CRA or which result from the implementation of the implementing technical standards relating thereto;
- (xxv) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreements) and/or the Conditions in order to enable the Issuer to comply with any requirements of the CFTC or in relation to the Dodd-Frank Act, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling the Issuer to comply with CFTC requirements or the Dodd-Frank Act (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability);
- (xxvi) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreement) and/or the Conditions in order to enable the Issuer to comply with any requirements in respect of EMIR, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability);
- (xxvii) to modify the terms of the Transaction Documents (including but not limited to any Hedge Agreement) and/or the Conditions in order to enable the Issuer to comply with any requirements in respect of AIFMD, subject to receipt by the Trustee of a certificate of the Issuer certifying to the Trustee that the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under AIFMD (upon which certification the Trustee shall be entitled to rely without further enquiry and without liability); and
- (xxviii) to modify the terms of any Hedge Agreements in order to enable the Issuer and/or a Hedge Counterparty to comply with any regulatory requirements applicable to it which come into force after the Issue Date.

Any such modification, authorisation or waiver shall be binding on the 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, the Rating Agencies; and
- (B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if such change shall have a material adverse effect on the rights or obligations of a Hedge Counterparty without the Hedge Counterparty's prior written consent.

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 these Conditions and 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 and subject to the terms of these Conditions and the



relevant Hedge Agreement and, where such consent is sought, any such amendment shall only be made following the expiry of the notice

For the avoidance of doubt, the Trustee shall, subject to the following paragraph, without the consent or sanction of any of the Noteholders (save where specified above) or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver or supplement pursuant to the paragraphs above (save for modifications, amendments, waivers or supplements in accordance with paragraphs (xi), (xii) and (xiii) above) to the Transaction Documents which the Issuer or the Collateral Manager certifies to the Trustee is required pursuant to the paragraphs above (other than paragraphs (xi), (xii) and (xiii)) (upon which certification the Trustee is entitled to rely without further enquiry and without liability) provided that the Trustee shall not be obliged to agree to any modification which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, rights, powers or indemnities of the Trustee in respect of the Transaction Documents.

In the case of a modification, amendment, waiver or supplement pursuant to paragraphs (xi), (xii) and (xiii) above, the Trustee may impose such conditions as it sees fit and provided that the Trustee shall not be required to give its consent in relation to paragraphs (xi), (xii) and (xiii) on less than 21 days' notice and the Trustee shall be entitled to obtain legal, financial or other expert advice, at the expense of the Issuer, and rely on such advice in connection with determining whether or not to give such consent as it sees fit.

(d) ***Substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agencies 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 reasonably 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 14(e) (*Entitlement of the Trustee and conflicts of interest*), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled

to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (ii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders, (iii) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Subordinated Noteholders; (iv) the Class E Noteholders over the Class F Noteholders and the Subordinated Noteholders; and (v) the Class F Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater aggregate 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, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

#### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft 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 by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

#### **16. Notices**

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre-paid, first class mail (or any other manner approved by the

Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Irish Stock Exchange. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

## **17. Additional Issuance**

- (a) The Issuer may from time to time, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and subject to the separate approval of the Retention Holder and, in the case of the issuance of additional Class A Notes, the separate approval of the Class A Noteholders acting by Ordinary Resolution create and issue further Notes having the same terms and conditions as existing Classes of Notes (subject as provided below) and which shall be consolidated and form a single series with the Outstanding Notes of such Class (unless otherwise provided), and will use the proceeds of sale thereof to purchase additional Collateral 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, provided that the following conditions are met:
- (i) such additional issuances in relation to the applicable Class of Notes may not exceed 100 per cent. in the aggregate of the original aggregate principal amount of such Class of Notes;
  - (ii) such additional Notes must be issued for a cash sale price and the net proceeds invested in Collateral Debt Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;
  - (iii) such additional Notes must be of each Class of Notes and issued in a proportionate amount among the Classes so that the relative proportions of aggregate principal amount of the Classes of Notes existing immediately prior to such additional issuance remain unchanged immediately following such additional issuance;
  - (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 have received Rating Agency Confirmation from each Rating Agency then rating any Notes;
  - (vi) the Coverage Tests are satisfied or, if not satisfied, the Coverage Tests will be maintained or improved after giving effect to such additional issuance of Notes by reference to the outcome of such tests immediately prior to such additional issuance of Notes;
  - (vii) the holders of the relevant Class of Notes in respect of which further Notes are issued shall have been notified in writing by the Issuer no later than 30 days prior to such issuance and shall have been afforded the opportunity to purchase additional Notes of the relevant Class in an amount not to exceed the percentage of the relevant Class of Notes each holder held immediately prior to the issuance (the "**Anti Dilution Percentage**") of such additional Notes and on the same terms offered to investors generally;
  - (viii) (so long as the existing Notes of the Class of Notes to be issued are listed on the regulated market of the Irish Stock Exchange) the additional Notes of such Class to be issued are in accordance with the

requirements of the Irish Stock Exchange and are listed on the regulated market of the Irish Stock Exchange (for so long as the rules of the Irish Stock Exchange so requires);

- (ix) such additional issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;
  - (x) any issuance of additional Notes shall be accomplished in a manner that will allow the Issuer to provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1) to the holders of such additional Notes; and
  - (xi) the Retention Holder consenting to purchase a sufficient amount of each Class of Notes which are the subject of such additional issuance such that its holding equals no less than 5 per cent. of the nominal value of such Class or Classes of Notes.
- (b) In addition to the requirements in (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 to be applied towards the 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 in writing by the Issuer no later than 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;
  - (vi) such additional issuance is in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;
  - (vii) the Retention Holder consenting to purchase a sufficient amount of the Subordinated Notes which are the subject of such additional issuance such that its holding equals no less than 5 per cent. of the nominal value of such Class.
- (c) In addition to (a) and (b) above, the Issuer may from time to time, subject to the approval of the Subordinated Noteholders acting by Ordinary Resolution and subject to the separate approval in writing of the Retention Holder, create and issue new Notes having substantially the same terms and conditions as existing Classes of Notes (subject as provided below), 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, provided that the following conditions are met:
- (i) such new Class or Classes of Notes will be subordinate in the payment of interest and principal to the most junior Class of Notes then Outstanding (other than the Subordinated Notes);
  - (ii) such new Notes must be issued for a cash sale price and the net proceeds invested in Collateral Debt Obligations or, pending such investment, during the Initial Investment Period deposited in the Unused Proceeds Account or, thereafter, deposited in the Principal Account and, in each case, invested in Eligible Investments;

- (iii) subject to (i) above, the terms (other than the date of issuance, the issue price, the Interest Amount and the date from which interest will accrue) of such new Notes must be substantially identical to the terms of previously issued Notes;
- (iv) the Issuer must notify the Rating Agencies then rating any Notes of such new issuance;
- (v) the Coverage Tests are satisfied or, if not satisfied, the Coverage Tests will be maintained or improved after giving effect to such issuance of new Notes;
- (vi) (so long as the existing Notes are listed on the regulated market of the Irish Stock Exchange) the new Notes 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 (for so long as the rules of the Irish Stock Exchange so requires);
- (vii) such new issuances are in accordance with all applicable laws including, without limitation, the securities and banking laws and regulations of Ireland and do not adversely affect the Irish tax position of the Issuer;
- (viii) any issuance of new Notes shall be accomplished in a manner that will allow the Issuer to provide the information described in United States Treasury Regulation Section 1.1275-3(b)(1) to the holders of such additional Notes; and
- (ix) the Retention Holder consenting to purchase a sufficient amount of each Class of Notes which are the subject of such new issuance such that its holding equals no less than 5 per cent. of the nominal value of such Class or Classes of Notes.

References in these Conditions to the “Notes” include (unless the context requires otherwise) any other notes issued pursuant to this Condition 17 (*Additional Issuance*) and forming a single series with the Notes. Any further securities forming a single series with Notes constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

## **18. Third Party Rights**

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

## **19. Governing Law**

### **(a) *Governing Law***

The Trust Deed and each Class of Notes 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.

### **(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 Law Debenture Corporate Services Limited (having an office, at the date hereof, at Fifth Floor, 100 Wood Street, London, EC2V 7EX) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes after payment of fees and expenses payable on or about the Issue Date (including, without duplication amounts deposited into the Expense Reserve Account) are expected to be approximately €388,000,000.

Such proceeds will be used by the Issuer for the repayment of any amounts borrowed by the Issuer (together with any interest thereon) and all other amounts due in order to finance the acquisition of warehoused Collateral Debt Obligations purchased by the Issuer prior to the Issue Date. The remaining proceeds shall be (a) used to fund the Interest Reserve Account an amount equal to €2,000,000 and (b) after application of amounts in (a), in an amount retained in the Unused Proceeds Account.

## FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

### Initial Issue of Notes

The Regulation S Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of, a nominee of a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See “*Book Entry Clearance Procedures*”. Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Note. See “*Transfer Restrictions*”.

The Rule 144A Notes of each Class (including, where applicable, the CM Voting Notes, the CM Non-Voting Exchangeable Notes and the CM Non-Voting Notes of such Class) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of, a nominee of a common depository for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only 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 Regulation S and Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth under “*Transfer Restrictions*”. In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by a Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by a Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person in an offshore transaction 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.



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

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

A beneficial interest in a Rule 144A Global Certificate that represents CM Non-Voting Notes may only be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate that represents CM Non-Voting Notes in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate upon receipt by a Transfer Agent of a written transfer request (in the form provided in the Trust Deed) from the transferor and may not be exchanged for an interest in a Rule 144A Global Certificate that represents CM Voting Notes or CM Non-Voting Exchangeable Notes at any time.

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

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

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

In addition to any exchange made at the time of a transfer request as described above, CM Voting Notes shall be exchangeable at any time upon request by the relevant Noteholder into CM Non-Voting Exchangeable Notes or CM Non-Voting Notes. CM Non-Voting Exchangeable Notes shall be exchangeable (a) upon request by the relevant Noteholder at any time into CM Non-Voting Notes or (b) into CM Voting Notes only in connection with the transfer of such Notes to an entity that is not an Affiliate of the transferor upon request of the relevant transferee or transferor and in no other circumstance.

CM Non-Voting Notes shall not be exchangeable at any time into CM Voting Notes or CM Non-Voting Exchangeable Notes.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

A transferee of a Class E Note, Class F Note or 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 Class E Note, Class F Note or 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 A); and (iii) holds such Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate. Any Class E Note, Class F Note or Subordinated Note in the form of a Definitive Certificate shall be registered in the name of the holder thereof.

**The Notes are not issuable in bearer form.**

***Amendments to Terms and Conditions***

Each Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes in definitive form (See “*Terms and Conditions of the Notes*”). The following is a summary of those provisions:

**Payments** Payments of principal and interest in respect of Notes represented by a Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Certificate to or to the order of the Principal Paying Agent or such other Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

**Notices** So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders shall be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Irish Stock Exchange for so long as such Notes are listed on the regulated market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

**Prescription** Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

**Meetings** The holder of each Global Certificate will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.

**Trustee’s Powers** In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

**Cancellation** Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

**Optional Redemption** The Subordinated Noteholders’ and the Controlling Class’ option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) may be exercised by the holders of a Definitive Certificate or a Global Certificate (as applicable) representing the Subordinated Notes or the Controlling Class (as applicable) giving notice to the Principal Paying Agent of the principal amount of Subordinated Notes or Notes representing the Controlling Class (as applicable) in respect of which the option is exercised and presenting the applicable Definitive Certificate or Global Certificate as applicable, for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption following Note Tax Event*) as the case may be.

**Record Date** So long as any Notes are represented by Global Certificates the Record Date in respect thereof shall be the close of business on the Clearing System Business Day before the Payment Date.

**“Clearing System Business Day”** means a day on which Euroclear and Clearstream, Luxembourg are open for business.

**Contributions** So long as any Class of Notes is represented by a Global Certificate, Contributions made by the Noteholders of that Class pursuant to Condition 2(k) (*Contributions*) may only be given in cash.

## **Exchange for Definitive Certificates**

### ***Exchange***

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes, Class F Notes or Subordinated Notes may be exchangeable for interests in a Definitive Certificate representing Class E Notes, Class F Notes or Subordinated Notes if a transferee is or is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the written consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer and the Transfer Agent with a certification substantially in the form of Annex A.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the **“Exchanged Global Certificate”**) becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

**“Definitive Exchange Date”** means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and any Transfer Agent is located.

### ***Delivery***

In such circumstances, 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 Definitive Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under **“Transfer Restrictions”** below.

### ***Legends***

The holder of a Definitive Certificate in registered definitive form, as applicable, may transfer the Notes represented thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified

office of the Registrar or any Transfer Agent, together with the completed form of transfer and to the extent applicable, written consent of the Issuer and a duly completed ERISA certificate substantially in the form of Annex A to a Transfer Agent and the Issuer. Upon the transfer, exchange or replacement of a Definitive Certificate in registered definitive form, as applicable, bearing the legend referred to under “*Transfer Restrictions*” below, or upon specific request for removal of the legend on a Definitive Certificate in registered definitive form, as applicable, the Issuer will deliver only Definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act.

## **BOOK ENTRY CLEARANCE PROCEDURES**

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the “**Clearing Systems**”) currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Placement Agent 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 depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See “*Settlement and Transfer of Notes*” below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders (“**Direct Participants**”) or indirectly (“**Indirect Participants**” and together with Direct Participants, “**Participants**”) through organisations which are accountholders therein.

### **Book Entry Ownership**

#### ***Euroclear and Clearstream, Luxembourg***

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of, and deposited with, a nominee of the common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

#### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants’ or accountholders’ accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such Direct Participants in any Clearing System will be governed

by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

### ***Settlement and Transfer of Notes***

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct Participant and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Certificate held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### ***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

## **RATINGS OF THE NOTES**

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes: “Aaa(sf)” from Moody’s and “AAAsf” from Fitch; the Class B-1 Notes and the Class B-2 Notes: “Aa2(sf)” from Moody’s and “AAsf” from Fitch; the Class C Notes: “A2(sf)” from Moody’s and “Asf” from Fitch; the Class D Notes: “Baa2(sf)” from Moody’s and “BBBsf” from Fitch; the Class E Notes “Ba2(sf)” from Moody’s and “BBsf” from Fitch and the Class F Notes: “B2(sf)” from Moody’s and “B-sf” from Fitch. The Subordinated Notes being offered hereby will not be rated.

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

### ***Moody’s Ratings***

The ratings assigned to the Rated Notes by Moody’s are based upon its assessment of the probability that the Collateral Debt Obligations will provide sufficient funds to pay each such Class of Notes, based largely upon Moody’s statistical analysis of historical default rates on debt obligations with various ratings, the asset and interest coverage required for such Class of Rated Notes (which in the case of a Class of Rated Notes is achieved through the subordination of each Class of Notes ranking below such Class of Rated Notes) and the diversification requirements that the Collateral Debt Obligations are required to satisfy.

Moody’s ratings address the expected loss posed to investors by the legal final maturity on the Maturity Date. The structure allows for timely payment of interest and ultimate payment of principal with respect to the Class A Notes by the legal final maturity on the Maturity Date.

Moody’s analysis of the likelihood that each Collateral Debt Obligation will default is based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as securities with lower ratings are added to the portfolio) and an additional default assumption to account for future fluctuations in defaults. Moody’s then determines the level of credit protection necessary to achieve the expected loss associated with the rating of the structured securities, taking into account the expected volatility of the default rate of the portfolio based on the level of diversification by region, obligor and industry. There can be no assurance that the actual default rates on the Collateral Debt Obligations held by the Issuer will not exceed the rates assumed by Moody’s in its analysis.

In addition to these quantitative tests, Moody’s ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that they deem relevant.

### ***Fitch Ratings***

The ratings assigned to the Rated Notes by Fitch are based upon Fitch’s statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral 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 Collateral Manager), are used to determine the credit enhancement required to support a particular rating.

Fitch's ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Debt Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not defer from those assumed by Fitch.

In addition to those quantitative tests, Fitch ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager, the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.



## THE ISSUER

### Issuer

The Issuer is a special purpose vehicle established for the purpose of issuing asset backed securities and was incorporated in Ireland as a private limited company on 1 May 2014 under the Companies Acts 1963 to 2013 (the “**Companies Acts**”) with the name of CVC Cordatus Loan Fund IV Limited and with company registration number 543295 and having its registered office at 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The authorised share capital of the Issuer is €100 divided into 100 ordinary shares of €1.00 each (the “**Shares**”). The Issuer has issued one Share, which is fully paid up and is held on trust by Deutsche International Finance (Ireland) Limited (as “**Share Trustee**”) under the terms of a declaration of trust (the “**Declaration of Trust**”) dated 14 July 2014, whereby the Share Trustee holds the Share on trust for charitable purposes. The Share Trustee will have no beneficial interest in and will derive no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. The Share Trustee will apply any income derived from the Issuer solely for the above purposes.

### Directors

The directors of the Issuer and their respective business addresses and principal activities outside the Issuer are:

Name	Address	Principal Activities/Position
Conor Blake	6 <sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland	Accountant
Deirdre Glynn	6 <sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland	Bank Official

The Secretary of the Issuer is: Deutsche International Corporate Services (Ireland) Limited.

The registered office of the Secretary of the Issuer is at 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The registered office of the Issuer is at: 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The telephone number of the Issuer is: +353 1 680 6000.

### Activities

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 Collateral Acquisition Agreements, the Notes, the Placement Agreement, the Agency Agreement, the Trust Deed, the Collateral Management Agreement, the 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.

### Indebtedness

The Issuer has no indebtedness as at the date of this Prospectus, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein (including the funding provided pursuant to the Warehouse Arrangements, which will be repaid in full on the Issue Date).

### Auditors

The independent auditor of the Issuer is Deloitte of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland, who are registered auditors regulated by the Institute of Chartered Accountants in Ireland.

## THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Issuer, the Arranger or any other party and none of such Persons assumes any responsibility for the accuracy, completeness or applicability of such information. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Collateral Manager or of its Affiliates 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.

### General

CVC Credit Partners Group Limited will act as the Collateral Manager. The Collateral Manager was incorporated in Jersey (registered number 93193) on 20 April 2006 and its registered address is Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST.

CVC Credit Partners Group Limited is a subsidiary of CVC Credit Partners LP (“**CVC Credit Partners**”). CVC Credit Partners had US\$11.6 billion of assets under management as of 30 June 2014. CVC Credit Partners manages the investments of multiple investment vehicles and funds focused on investments in sub-investment grade companies in both Europe and the U.S., including the Issuer. As at 31 August 2014, CVC Credit Partners had 38 investment professionals based in London and New York.

CVC Capital Partners SICAV-FIS S.A. (and each of its direct and indirect subsidiaries and their respective affiliates) (the “**CVC Group**”) is a private equity and investment advisory firm. CVC Group's private equity business is known as “**CVC Capital Partners**”. CVC Capital Partners was originally established in 1981 as part of the Citibank group of companies. CVC Capital Partners established its first third-party private equity fund in 1990. In 1993, CVC Capital Partners was acquired by its management and ceased to be part of the Citibank group. As at 31 August 2014, CVC Capital Partners had secured aggregate commitments of US\$71 billion (including CVC Credit Partners, US\$59.4 billion excluding CVC Credit Partners) from over 300 institutional, governmental and private investors worldwide. It has made over 300 investments in a wide range of industries and countries. As of 31 August 2014, CVC funds were invested in over 60 companies worldwide. The CVC Group employs approximately 172 investment professionals, as at 31 August 2014, across 20 offices throughout Europe, Asia and the United States.

In December 2011, CVC Group agreed to merge its European credit business with Apidos Capital Management (“**Apidos**”), the sub-investment grade credit manager of Resource America, to create CVC Credit Partners, a global credit manager specialising in sub-investment grade corporate debt.

The Collateral Manager is a subsidiary of CVC Credit Partners L.P. which is a joint venture between the CVC Group Limited and Resource America, Inc.

### Capital

The issued share capital of the Collateral Manager is divided into 35,000 Ordinary Shares held by CVC Credit Partners L.P.

### Directors and Company Secretary

The Directors of the Collateral Manager, their business occupations and their business addresses are as follows:

Jonathan Christian Bowers	Investment Manager, 111 Strand, London WC2R 0AG
Christopher Dillon Allen	Chief Operating Officer, 712 5th Avenue, 42nd Floor, New York, NY 10019
Stephen Philip Linney	Non Executive Director, Le Petit Touessrok, La Vielle Charriere, St Martin, Jersey, JE3 6DL, Channel Islands

Douglas Jeffrey Maccabe	Non Executive Director, 1st Floor, 10 Bond Street, St Helier, Jersey, JE3 2NP, Channel Islands
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Sue Chittenden	Associate Director, Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST
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None of the Directors of the Collateral Manager will have received any fee or inducement to become a director although the employer of Sue Chittenden will receive fees for corporate services provided.

The Company Secretary is State Street Secretaries (Jersey) Limited.

## THE SUB-MANAGER

The information relating to the Sub-Manager has not been independently verified by the Issuer. Accordingly, notwithstanding anything to the contrary herein, the Issuer does not assume any responsibility for the accuracy, completeness or applicability of such information. The Sub-Manager accepts responsibility for the information contained in this section.

### Overview

CVC Credit Partners Investment Management Limited was incorporated in the United Kingdom on 16 November 2010 with company registration number 07441828 and prior to 24 April 2012 was known as CVC Cordatus Investment Management Limited.

The Sub-Manager is regulated by the FCA. In addition to acting as Sub-Manager for the Issuer, CVC Credit Partners Investment Management Limited acts as investment manager to certain other vehicles as well as separate investment entities.

### Key Personnel

The following are the key personnel of CVC Credit Partners (those employed by the Sub-Manager are denoted with an asterisk):

Name	Title	Years' Experience
Stephen Hickey	Partner, Chief Investment Officer	27
Jonathan Bowers*	Partner, Senior Portfolio Manager	21
Gretchen L. Bergstresser	Partner, Senior Portfolio Manager	27
Christopher D. Allen	Partner, Chief Operating Officer	23
Mark DeNatale	Partner, Global Head of Trading	21
Andrew Davies*	Managing Director, Portfolio Manager	13
Guillaume Tarneaud*	Director, Assistant Portfolio Manager	11
Tom Newberry	Partner, Head of Private Funds	30
Brandon Bradkin*	Partner	23
Philip Raciti	Managing Director, Portfolio Manager	14
Kevin O'Meara	Managing Director, Portfolio Manager	13

### Other Key Personnel

Name	Title	Years' Experience
Benjamin Edgar*	Managing Director	16
Stuart Levett *	Managing Director	16

<b>Name</b>	<b>Title</b>	<b>Years' Experience</b>
Oscar Anderson	Managing Director, Portfolio Manager	23
Scott Bynum	Managing Director, Portfolio Manager	10
Caroline Benton	Managing Director	17
Neale Broadhead*	Managing Director, Portfolio Manager	28
Ran Landmann*	Managing Director	16

***Stephen Hickey — Partner, Chief Investment Officer***

Stephen joined CVC Credit Partners in April 2012 from Goldman Sachs where he spent 20 years in various senior roles, including global head of leverage finance, co-head of global loans, member of the firm wide risk and firm wide capital committees and head of loan sales and secondary trading (proprietary investing and flow trading). Stephen was a partner at Goldman Sachs from 2004 to 2011. Prior to re-joining Goldman Sachs, Stephen was a managing director and head of loan syndications, sales and trading at Donaldson Lufkin & Jenrette (or DLJ), after starting the business at DLJ in 1996. Stephen was a member of the board of directors for the Loan Syndications and Trading Association from 2001 to 2006. Stephen earned a JD and an MBA from Columbia University in 1987 and a BA from Yale University in 1983. He is a member of the State of Connecticut Bar.

***Christopher D. Allen — Partner, Chief Operating Officer***

Christopher is the Chief Operating Officer of CVC Credit Partners LLC. Previously, he co-founded Apidos Capital in 2005 where he was in charge of the oversight of the global leveraged loan platform, business development and strategic initiatives. Prior to founding Apidos Capital in 2005, he was a Senior Managing Director of Resource America, where he helped grow the firm's asset management business. Before 2003, he was a Vice President at Trenwith Securities and an Associate at Citicorp Venture Capital focusing on management buyouts, private equity and debt transactions. Christopher received his B.A. from Harvard University and received his J.D. from New York University School of Law.

***Mark DeNatale — Partner, Global Head of Trading***

Mark is a Partner and Global Head of Trading at CVC Credit Partners. Prior to joining CVC Credit Partners, Mark spent 17 years at Goldman Sachs where he was a Managing Director and Head of Loan Trading, managing risk across distressed, stressed and performing credit. Mark actively invested and traded across the capital structure including loans, bonds, equities and derivatives; he was also instrumental in developing a European loan trading platform. Mark is a former member of the board of directors of the Loan Syndications and Trading Association and graduated from Boston College in 1994.

***Gretchen L. Bergstresser — Partner, Senior Portfolio Manager***

Gretchen is the Senior Portfolio Manager and Head of U.S. Performing Credit for CVC Credit Partners. Previously, she co-founded Apidos Capital in 2005 where she had a similar role and responsibility. Over her more than 20 years in the industry, she has worked at Eaton Vance, Bank of Boston, ING and other financial institutions. She earned an M.B.A. from Boston University, an M.S. in Chemistry from the Pennsylvania State University and a B.S. from St. Lawrence University.

***Jonathan Bowers — Partner, Senior Portfolio Manager***

Jonathan, who also serves as a director of CECO, founded CVC Cordatus (a predecessor to CVC Credit Partners). Jonathan has over 20 years of investment banking and investment management experience. Previously he was a senior director in the European leveraged finance group at Deutsche Bank (Bankers Trust), originating and structuring numerous financings for leveraged buyouts, public to privates and corporate re-financings across

senior, mezzanine, high yield and PIK investments. Prior to this, Jonathan worked in mergers and acquisitions at Charterhouse Bank after having completed the Citibank analyst programme in London and New York. He is a partner, member of the board of directors and portfolio manager at the Sub-Manager, responsible with Andrew Davies for portfolio management of the Issuer and the Conversion Vehicle. Jonathan holds an MA in French and History from the University of Oxford.

***Brandon Bradkin — Partner***

Prior to joining CVC Credit Partners, Brandon spent six years at Park Square Capital where he was a Partner and member of its investment committee. Before joining Park Square, he was a Managing Director at Dresdner Anschutz Mezzanine Fund. Previously, Brandon helped lead the restructuring and sale of two distressed portfolio companies. He has also been a Vice President in Investment Banking at Chase in London. Brandon began his career at O'Melveny & Myers in Los Angeles after clerking for Judge John Minor Wisdom. Brandon has a J.D. from Harvard Law School and an A.B. from Harvard College. Brandon also serves as a director of CECO and is a member of the board of directors of the Sub-Manager.

***Tom Newberry — Partner, Head of Private Funds***

Tom joined the CVC Credit Partners in 2012 after spending 11 years at Credit Suisse, where he was a managing director and head of global leveraged finance capital markets and syndicated loans. In this capacity, he was responsible for the underwriting of all high yield bond, mezzanine and syndicated loan transactions, as well as the sale and trading of both par and distressed loan assets. Tom joined Credit Suisse in November 2000 when Credit Suisse First Boston (or CSFB) merged with DLJ, where he was a managing director and head of U.S. loan capital markets. He joined DLJ in 1996 from Deutsche Bank where he was a managing director and head of North American loan syndications, responsible for all aspects of syndicated loan underwriting and distribution. Prior to that, Tom worked at Toronto-Dominion Securities and NCNB National Bank. Tom served on the board of directors of the Loan Syndication & Trading Association for six years, acting as both chairman and vice chairman. Tom received his BA from the University of Virginia in 1984.

***Oscar Anderson — Managing Director, Portfolio Manager***

Oscar joined Apidos (a predecessor to CVC Credit Partners) in December 2008. In June 2007, Oscar co-founded Tri-Mountain Partners, LLC, an alternative investment management business focused on hedge fund and direct private equity investments. Previous associations: Director in the high yield sales and trading group of Wachovia Securities in New York City, Executive Director in the leveraged finance group of CIBC World Markets, Equity Research Associate in the Investment Management Policy Group at Brown Brothers Harriman & Co., investment banking analyst at Solomon Brothers Inc. Oscar received his BA from Harvard University.

***Caroline Benton — Managing Director***

Caroline joined CVC Credit Partners in July 2013. Previously, Caroline spent 15 years at Goldman Sachs in proprietary investing and risk management functions in the Special Assets, Global Bank Loan Distressed Investing, and Special Situations Investing groups within the Fixed Income division. Caroline holds a BA in Economics and Managerial Studies from Rice University.

***Neale Broadhead — Managing Director, Portfolio Manager***

Neale joined CVC Credit Partners in 2014 from Lloyds Banking Group, where he was a Managing Director and Head of the Mid Market Acquisition Finance Group which he founded in 2004. Prior to this, Neale worked as Executive Director and Originator at BNP Paribas arranging and underwriting mid-market debt facilities in the UK and Europe. Neale holds a BSc (Hons) in Economic History from the University of Wales.

***Scott Bynum — Managing Director, Portfolio Manager***

Scott joined CVC Credit Partners in January 2013. Prior to joining the Sub-Manager, Scott spent eight years at Goldman Sachs where he was a Vice President in a proprietary investing capacity. During the most recent six years at Goldman Sachs, he was in the Global Bank Loan Distressed Investing group where he was responsible for

hedging and portfolio analytics as well as leading investments across the capital structure in public and private companies. For the prior two years, Scott was an analyst in the Relative Value Trading group within the Structured Credit division. Scott graduated magna cum laude with a B.S.E from Princeton University.

***Andrew Davies — Managing Director, Portfolio Manager***

Andrew joined CVC Credit Partners in 2010. Andrew has 12 years of debt capital markets, corporate finance advisory and investment management experience. Most recently, Andrew was at GSC Group (formally Greenwich Street Capital Partners) in London where he was responsible for trading, sourcing, analysis and portfolio management across investment strategies. Prior to this, Andrew provided corporate finance advice to technology and media start-ups at Cobalt Corporate Finance after spending five years at Bear Stearns International's European merger and acquisition finance and fixed income trading. Andrew is a managing director and portfolio manager of the Sub-Manager, responsible with Jonathan Bowers for portfolio management of the Issuer.

***Guillaume Tarneaud — Director, Assistant Portfolio Manager***

Mr. Tarneaud joined CVC Credit Partners in 2007. Previous experiences include working in the Leveraged Finance department at Natixis in Frankfurt and in the Deloitte restructuring advisory team in Paris. Guillaume graduated from EM Lyon Business School with a MSc in Management and from Paris Pantheon-Assas University with a Masters Degree in Corporate and Tax Law.

***Benjamin Edgar — Managing Director***

Benjamin founded CVC Cordatus (a predecessor to CVC Credit Partners) in 2006. Benjamin has over 14 years of combined investment banking and structured finance experience. He joined the Sub-Manager from Alcentra where, among other things, he was responsible for analysing, investing and monitoring the technology, media and cable assets across funds. Prior to this, Benjamin spent five years within the debt products group of Deutsche Bank, focusing on structuring and syndicating leveraged finance transactions from senior to subordinated debt instruments.

***Ran Landmann — Managing Director***

Ran joined CVC Credit Partners in September 2013. Before that Ran covered European distressed/stressed credits including corporate, sovereign and financial names at Owl Creek Europe Management and Sandell Asset Management. Previously he worked at CVC Equity Partners focussing on European private equity and at Credit Suisse First Boston's media and telecoms team, both in London. Ran graduated with a BSc in Business Economics from Queen Mary and Westfield University, University of London.

***Stuart Levett — Managing Director***

Stuart joined CVC Credit Partners in April 2013. Stuart has spent more 16 years in banking with expertise in sourcing/origination, managing and trading of performing, leveraged, stressed and distressed assets. Stuart spent 8 years with Credit Suisse in sales and distressed origination and 2 years with its predecessor Donaldson, Lufkin & Jenrette, in leverage sales. More recently, Stuart was a Managing Director and senior originator of distressed assets and leverage sales at UBS, responsible for sourcing impaired and distressed single line assets, claims, equity and portfolios, trading through capital structures and asset classes. Stuart was also one of the founding members of the London trading platform for Cantor Fitzgerald in 2009.

***Kevin O'Meara — Managing Director, Portfolio Manager***

Kevin joined CVC Credit Partners in May 2007 and is responsible for covering the Gaming, Cable and Advertising-Dependent Media industries. Prior to joining CVC, Kevin spent five years at Prudential Financial where he received his formal credit training and worked as an Analyst on the company's leveraged loan platform. Kevin earned a BSc Degree in Finance from the University of Scranton and graduated with Honours with an MBA in Finance from Fordham University's Graduate School of Business.

***Philip Raciti — Managing Director, Portfolio Manager***

Philip joined Apidos (a predecessor to CVC Credit Partners) in March 2005 and is a portfolio manager and trader across loans, bonds, and equities. During his time at Apidos, he covered numerous industries including Technology, Semiconductors, Aerospace, Defence and Waste. Prior to joining Apidos, he spent 5 years at INVESCO Senior Secured Management as a senior credit analyst. Phillip received a BA in Politics, Philosophy and Law from Binghamton University.



## THE RETENTION HOLDER AND RETENTION REQUIREMENTS

### Description of the Retention Holder

CVC Credit Partners Group Limited shall act as Retention Holder for the purposes of the Retention Requirements.

The description and the address of the Retention Holder is set out in the “*The Collateral Manager*” section of this Prospectus.

### The Retention

On the Issue Date, the Retention Holder, will execute the Retention Letter addressed to the Issuer, the Trustee (for the benefit of the Noteholders), the Collateral Administrator and Goldman Sachs International in its capacity as arranger.

The Retention Holder will hold the Retention Notes (as defined below) in its capacity as originator for the purposes of the Retention Requirements. Pursuant to the Eligibility Criteria, the Issuer shall not purchase Collateral Debt Obligations from parties other than the Retention Holder unless the Retention Holder is and remains the originator of the Required Percentage of all Collateral Debt Obligations acquired, or committed to be acquired, by the Retention Holder.

Under the Retention Letter, the Retention Holder will undertake and agree

- (a) to subscribe for (at the initial issuance and each subsequent date of additional issuance of Notes) and retain, on an ongoing basis and for its own account, a material net economic interest in the transaction which will be comprised of not less than 5 per cent. of the nominal value of each Class of Notes within the meaning of paragraph 1(a) of Article 405 of the CRR and Article 51(1)(a) of the AIFMD (the “**Retention Notes**”);
- (b) that it and its Affiliates will not sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes unless expressly permitted by the Retention Requirements;
- (c) that, in relation to every Collateral Debt Obligation and Eligible Investment (other than cash or those acquired from Interest Proceeds) that it sells or transfers to the Issuer:
  - (i) that it, either itself or through related entities, directly or indirectly, was involved or will be involved in the original agreement which created or will create such obligation; or
  - (ii) that it purchased or will purchase such Collateral Debt Obligation or Eligible Investment for its own account prior to selling such obligation to the Issuer;
- (d) to confirm its continued compliance with the requirements set out in paragraphs (a) to (c) above:
  - (i) on a monthly basis to the Issuer, the Collateral Manager, the Trustee, the Collateral Administrator and the Arranger (concurrent with the delivery of each Monthly Report); and
  - (ii) upon any written request therefore by or on behalf of the Issuer or any Affected Investor delivered as a result of (1) a material change in (x) the performance of the Notes, (y) the risk characteristics of the Notes, or (z) the Collateral Debt Obligations and/or the Eligible Investments from time to time, or (2) the breach of any Transaction Document to which it is a party;
- (e) that it will, promptly on becoming aware of the occurrence thereof, provide a written notice to the Issuer, the Trustee, the Collateral Administrator and the Arranger of (i) any failure to hold the Retention Notes in accordance with paragraphs (a) and (b) above (ii) any representations in the Retention Letter failing to be true on any date;
- (f) that it will take such further action, provide such information and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements as of (i) the Issue Date and (ii) 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 the maturity of the Notes; and

- (g) that it will notify the Collateral Administrator in writing of any sale, disposal or acquisition of an interest in the Retention Notes by the Retention Holder promptly following such sale, disposal or acquisition,

provided, however, that the Retention Holder may transfer the Retention Notes to the extent such transfer would not cause the transaction described in this Prospectus to cease to be compliant with the Retention Requirements.

### **Origination of Collateral Debt Obligations**

The Retention Holder may acquire Proposed Collateral Debt Obligations in the primary market or in the secondary market from third parties (“**Market Sellers**”) prior to transfer to the Issuer. In accordance with the Eligibility Criteria, the majority of assets acquired by the Issuer will be acquired from the Retention Holder.

In the majority of such cases, the Retention Holder will acquire a Proposed Collateral Debt Obligation and immediately enter into a matching purchase with the Issuer, whereby Issuer shall commit to purchase and settle any such Proposed Collateral Debt Obligation from the Retention Holder on the same dates and for the same purchase price as the Retention Holder has committed to purchase and settle that Proposed Collateral Debt Obligation from the relevant Market Seller (which shall be no earlier than 15 Business Days after the date of such commitment to purchase). The Issuer, the Retention Holder and the Market Seller shall enter into a multilateral netting agreement (the “**Netting Agreement**”) with respect to such Proposed Collateral Debt Obligation, which shall provide for the relevant Market Seller to enter into the assignment or transfer agreement required to effect the transfer of such Proposed Collateral Debt Obligation directly with the Issuer. Pursuant to the Netting Agreement, the Issuer shall, on the date of settlement, pay the purchase price of the Proposed Collateral Debt Obligation to the Retention Holder, which the Retention Holder shall then correspondingly pay to the Market Seller. However, in the event that any Proposed Collateral Debt Obligation does not as at the date falling 15 Business Days after the relevant trade date meet certain conditions precedent, including if such obligation becomes defaulted, the Issuer will not be obliged to complete the purchase of the relevant asset on the applicable settlement date (and the Market Seller shall in such case settle such Proposed Collateral Debt Obligation directly with the Retention Holder).

Alternatively, the Retention Holder may acquire and hold a Proposed Collateral Debt Obligation on its books and records for its own account for at least two Business Days prior to any transfer to the Issuer. The Retention Holder will agree that each such Proposed Collateral Debt Obligations will be sold to the Issuer at the Market Value of such Proposed Collateral Debt Obligation at the time of transfer to the Issuer. For administrative convenience, any assignment or transfer agreement required to be executed and delivered in connection with transfer of any such Proposed Collateral Debt Obligation in accordance with the terms of the related Underlying Instrument may reflect that the relevant Market Seller is assigning such Proposed Collateral Debt Obligation directly to the Issuer.

## **THE COLLATERAL ADMINISTRATOR**

### **The Bank of New York Mellon SA/NV, Dublin Branch**

The Bank of New York Mellon SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the CBFA (former Belgian supervisor prior to the implementation of the Twin Peaks model) on March 10 2009. It has its headquarters and main establishment at 46 rue Montoyerstraat, 1000 Bruxelles/Brussel. The Bank of New York Mellon SA/NV is a subsidiary of BNY Mellon (BNYM), the main banking subsidiary of The BNY Mellon Corporation. It is under the prudential supervision of the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority in respect of Conduct of Business. The Bank of New York Mellon SA/NV engages in asset servicing, global collateral management, global markets, corporate trust and depositary receipts. The Bank of New York Mellon SA/NV operates from locations in Belgium, the Netherlands, Germany, London, Luxembourg, Paris and Dublin.

### **Termination and Resignation**

The appointment of the Collateral Administrator under the Collateral Management Agreement may be terminated without cause at any time, upon not less than 45 days' prior written notice by (a) the Issuer or (b) the Trustee if so directed by each of (i) the holders of the Controlling Class of Notes acting by Ordinary Resolution, and (ii) the holders of the Subordinated Notes acting by Ordinary Resolution, to the Collateral Administrator copied to the Issuer or Trustee (as applicable) and the Collateral Manager and upon written notice to the Noteholders in accordance with Condition 16 (*Notices*) (provided that the Trustee shall not be obliged to take any action unless indemnified and/or secured and/or prefunded to its satisfaction).

The appointment of the Collateral Administrator under the Collateral Management Agreement may be terminated, for cause at any time with immediate effect by (a) the Issuer or (b) the Trustee if so directed by each of (i) the holders of the Controlling Class of Notes acting by Ordinary Resolution, and (ii) the holders of the Subordinated Notes acting by Ordinary Resolution upon prior written notice to the Collateral Administrator copied to the Issuer or the Trustee (as applicable) and the Collateral Manager and upon written notice to the Noteholders in accordance with Condition 16 (*Notices*) (provided that the Trustee shall not be obliged to take any action unless indemnified and/or secured and/or prefunded to its satisfaction).

The Collateral Administrator may resign its appointment under the Collateral Management Agreement without cause by giving not less than 45 days' prior written notice, and with cause at any time with immediate effect by the Collateral Administrator giving written notice to the Issuer, the Trustee and the Collateral Manager.

No termination of the appointment or resignation of the Collateral Administrator shall be effective until the date as of which a successor collateral administrator reasonably acceptable to the Issuer, the Trustee and the Collateral Manager.

## THE LIQUIDITY FACILITY PROVIDER

### Bank of New York Mellon

The Bank of New York Mellon, a New York state chartered bank (the “**Bank**”), is one of the two principal banking subsidiaries of The Bank of New York Mellon Corporation (NYSE: BK), a bank holding company and a financial holding company (“**BNY Mellon**”). BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of June 30, 2014, BNY Mellon had \$28.5 trillion in assets under custody and/or administration, and \$1.6 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. Additional information is available at [www.bnymellon.com](http://www.bnymellon.com).

BNY Mellon’s and the Bank’s ratings information is available at <http://www.bnymellon.com/investorrelations/creditratings.html>. A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

BNY Mellon’s principal office is located at One Wall Street, New York, New York 10286. A copy of the most recent Annual Report on Form 10-K of BNY Mellon may be obtained from BNY Mellon’s Public Relations Department, One Wall Street, 31st Floor, (212) 635-1569. For additional information about BNY Mellon, please refer to the reports filed with the Securities Exchange Commission, including BNY Mellon’s Annual Report on Form 10-K, proxy statement, quarterly reports on Form 10-Q and current reports on Form 8-K, available at [www.sec.gov](http://www.sec.gov).

## THE PORTFOLIO

Terms used and not otherwise defined herein or in this Prospectus as specifically referenced herein shall have the meaning given to them in Condition 1 (*Definitions*) of the Terms and Conditions of the Notes.

### Introduction

Pursuant to the Collateral Management Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. Pursuant to the Collateral Sub-Management Agreement, the Collateral Manager will delegate certain of these duties and functions to the Sub-Manager. 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 Collateral Manager.

### Acquisition of Collateral Debt Obligations

The Collateral Manager will determine and will use reasonable endeavours to cause to be acquired by the Issuer a portfolio of primarily Senior Secured Loans, Senior Secured Bonds, Senior Unsecured Obligations, Corporate Rescue Loans, Mezzanine Obligations, Second Lien Loans, High Yield Bonds, Bridge Loans during the Initial Investment Period, the Reinvestment Period and thereafter. The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Debt Obligations, the Aggregate Principal Balance of which is equal to at least €239,700,000 which is approximately 60 per cent. of the Target Par Amount (as defined in the Conditions). The proceeds of issue of the Notes remaining after payment of: (a) the acquisition costs for the Collateral Debt Obligations acquired by the Issuer on or prior to the Issue Date; and (b) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer following completion of the issue of the Notes will be deposited in the Expense Reserve Account and the Unused Proceeds Account on the Issue Date. The Collateral Manager acting on behalf of the Issuer, shall use all reasonable efforts to purchase Collateral Debt Obligations with an Aggregate Principal Balance equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests or the Coverage Tests prior to the Effective Date. The Collateral Manager may declare that the Initial Investment Period has ended and the Effective Date has occurred prior to 17 June 2015, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Debt Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount (after taking into account any transfer in (ii)); and (ii) no more than 1 per cent. of the Aggregate Collateral Balance may be transferred to the Interest Account.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the “**Effective Date Report**”) containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Debt Obligations having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Collateral Manager and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, the Principal Balance of a Collateral Debt Obligation which is a Defaulted Obligation will be the lower of its Moody’s Collateral Value and its Fitch Collateral Value) and the Issuer will provide, or cause the Collateral Manager to provide to the Trustee and the Collateral Administrator an accountants’ certificate confirming the Aggregate Principal Balance of all Collateral Debt Obligations purchased or committed to be purchased as at such date and the computations and results of the Portfolio Profile Tests, the Collateral Quality Tests and the Coverage Tests by reference to such Collateral Debt Obligations.

The Collateral Manager (acting on behalf of the Issuer) shall promptly following receipt of the Effective Date Report, request that each of the Rating Agencies confirm its Initial Ratings of the Rated Notes, provided that if the Effective Date Moody's Condition is satisfied then such rating confirmation shall be deemed to have been received from Moody's. If the Effective Date Moody's Condition is not satisfied within 30 Business Days following the Effective Date the Collateral Manager shall promptly notify Moody's. If (i) the Effective Date Determination Requirements are not satisfied and Rating Agency Confirmation has not been received in respect of such failure; (ii) the Collateral Manager (acting on behalf of the Issuer) does not present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation is not received in respect of such Rating Confirmation Plan; (iii) where the Effective Date Moody's Condition is not satisfied, following a request therefor from the Collateral Manager after the Effective Date, Rating Agency Confirmation from Moody's is not received, an Effective Date Rating Event shall have occurred. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the Payment Date next following the Effective Date, the Rated Notes shall be redeemed, pursuant to Condition 7(e) (*Redemption upon Effective Date Rating Event*) on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of Payments, until the earlier of (x) the date on which the Effective Date Rating Event is no longer continuing and (y) the date on which the Rated Notes have been redeemed in full. The Collateral Manager shall notify the Rating Agencies upon the discontinuance of an Effective Date Rating Event.

During such time as an Effective Date Rating Event shall have occurred and be continuing the Collateral Manager (acting on behalf of the Issuer) may prepare and present to the Rating Agencies a Rating Confirmation Plan setting forth the timing and manner of acquisition of additional Collateral Debt Obligations and/or any other intended action which will cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

### **Eligibility Criteria**

Each Collateral 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 Collateral Manager in its reasonable discretion (capitalised terms in each case shall be read and construed as if such obligation were a Collateral Debt Obligation):

- (a) (i) such Collateral Debt Obligation is acquired or committed to be acquired from the Retention Holder as originator or (ii) the Retention Holder is the originator of the Required Percentage (measured by total nominal amount) of all Collateral Debt Obligations acquired (or committed to be acquired) by the Issuer, such proportion measured on the basis of the nominal value at each respective origination of all Collateral Debt Obligations acquired by the Retention Holder in aggregate during the term of the transaction;
- (b) only in relation to a Collateral Debt Obligation to be acquired by the Issuer that will not be acquired from the Retention Holder, the Retention Holder is the originator of the Required Percentage (measured by total nominal amount) of all Collateral Debt Obligations acquired (or committed to be acquired) by the Issuer, such proportion measured on the basis of the nominal value at each respective origination of all Collateral Debt Obligations that are expected to be held by the Issuer following the settlement of any such acquisition,
 

(provided, in the case of (a) and (b) above, that if the Retention Requirements are amended to clarify the appropriate method for determining the proportion of the total securitised exposures that have been contributed by an originator to a securitisation scheme, the basis of measurement shall cease to apply and the method (or methods) of determination prescribed under the Retention Requirements shall apply instead);
- (c) it is a Senior Secured Loan, Senior Secured Bond, an Senior Unsecured Obligation, a Corporate Rescue Loan, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond, a PIK Obligation or a Bridge Loan;
- (d) it is (I) denominated in Euro or (II) is denominated in a Qualifying Currency other than Euro and either (1) if such Non-Euro Obligation is denominated in a Qualifying Unhedged Obligation Currency and was

acquired in the Primary Market and within 90 calendar days of the settlement date thereof, and otherwise (2) no later than the settlement date of the acquisition thereof the Issuer (or the Collateral 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 Collateral Management Agreement and (III) is not convertible into or payable in any other currency;

- (e) it is not a Defaulted Obligation or a Credit Impaired Obligation;
- (f) it is not a lease (including, for the avoidance of doubt, a financial lease);
- (g) it is not a Structured Finance Security, pre-funded letter of credit or a Synthetic Security;
- (h) 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;
- (i) it is not a Zero Coupon Obligation, Step-Up Coupon Security or Step-Down Coupon Security;
- (j) it does not constitute “margin stock” (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);
- (k) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments will not be subject to withholding tax (with the exception of commitment fees associated with Collateral Debt Obligations constituting Revolving Obligations and Delayed Drawdown Collateral Debt Obligations and taxes imposed under FATCA) imposed by any jurisdiction unless either: (i) such withholding tax can be sheltered by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor is required to make “gross-up” payments that cover the full amount of any such withholding on an after-tax basis;
- (l) other than in the case of Corporate Rescue Loans, it has a Moody’s Rating of not lower than “Caa3” and a Fitch Rating of not lower than “CCC”;
- (m) it is not a debt obligation whose repayment is subject to substantial non-credit related risk;
- (n) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Debt Obligation; or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Debt Obligation where such undertaking is contingent upon the redemption in full of such Collateral Debt Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Debt Obligation and where the restructured Collateral Debt Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Debt Obligation, provided that, in respect of paragraph (v) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not exceed the redemption amounts from such restructured Senior Secured Loan, second lien loan or similar obligation;
- (o) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;
- (p) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Obligations);
- (q) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;
- (r) the Collateral Debt Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

- (s) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Debt Obligation;
- (t) upon acquisition, both (i) the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or other arrangement having a similar commercial effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Debt Obligation that is a bond is held through the Custodian but not held through Euroclear or does not satisfy the requirements relating to Euroclear collateral specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest;
- (u) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);
- (v) is not an obligation of an Obligor or Obligors Domiciled in a country with a Moody's local currency country risk ceiling of "Baa1" or below;
- (w) it has not been called for, and is not subject to a pending, redemption;
- (x) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions;
- (y) 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);
- (z) it is an obligation (i) that is acquired, and held in a manner that does not violate the U.S. Investment Restrictions set out in the Collateral Management Agreement, and (ii) the nature of which does not violate the U.S. Investment Restrictions set out in the Collateral Management Agreement;
- (aa) it must require the consent of at least 66⅔ 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) the Obligor or Obligors of such obligation are not (i) a Restricted Party or reasonably expected to become a Restricted Party or (ii) currently involved in any publically recorded (or, to the best of the knowledge of the Issuer, the Collateral Manager, or the Sub-Manager) claim, action, suit, proceedings or investigation with regard to Sanctions or (iii) individuals;
- (cc) it is not a Project Finance Loan;
- (dd) it is not, and is not convertible into, an equity security; and
- (ee) it is in registered form for U.S. federal income tax purposes unless it is not a "registration required" instrument.

Other than (i) Issue Date Collateral Debt Obligations which must satisfy the Eligibility Criteria on the Issue Date and (ii) 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, 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 Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation.

### **Restructured Obligations**

In the event 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 change of Obligor, such obligation shall only constitute a Restructured Obligation if such obligation satisfies the following criteria (the “**Restructured Obligation Criteria**”):

- (a) it is a Senior Secured Loan, Senior Secured Bond, an Senior Unsecured Obligation, a Corporate Rescue Loan, a Mezzanine Obligation, a Second Lien Loan or a High Yield Bond, a PIK Obligation or a Bridge Loan;
- (b) it is (I) denominated in Euro or (II) is denominated in a Qualifying Currency other than Euro and either (1) if such Non-Euro Obligation is denominated in a Qualifying Unhedged Obligation Currency and was acquired in the Primary Market and within 90 calendar days of the settlement date thereof, and otherwise (2) no later than the settlement date of the acquisition thereof, the Issuer (or the Collateral 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 Collateral Management Agreement and (III) is not convertible into or payable in any other currency;
- (c) it is not a lease (including, for the avoidance of doubt, a financial lease);
- (d) it is not a Structured Finance Security, pre-funded letter of credit or a Synthetic Security;
- (e) 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;
- (f) it is not a Zero Coupon Obligation, Step-Up Coupon Security or Step-Down Coupon Security;
- (g) it does not constitute “margin stock” (as defined under Regulation U issued by the Board of Governors of the United States Federal Reserve System);
- (h) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments will not be subject to withholding tax (other than taxes imposed under FATCA) imposed by any jurisdiction unless either: (i) such withholding tax can be sheltered by application being made under the applicable double tax treaty or otherwise; or (ii) the Obligor is required to make “gross-up” payments that cover the full amount of any such withholding on an after-tax basis;
- (i) other than in the case of Corporate Rescue Loans, it has a Moody’s Rating and a Fitch Rating;
- (j) it is not a debt obligation whose repayment is subject to substantial non-credit related risk;
- (k) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are subject to limited recourse provisions similar to those set out in the Trust Deed; (iv) which are owed to the agent bank in relation to the performance of its duties under a Collateral Debt Obligation; or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Debt Obligation where such undertaking is contingent upon the redemption in full of such Collateral Debt Obligation on or before the time by which the Issuer is obliged to enter into the restructured Collateral Debt Obligation and where the restructured Collateral Debt Obligation satisfies the Eligibility Criteria and for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a restructured Collateral Debt Obligation, provided that, in respect of paragraph (v) only, that the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer following such restructuring shall not

- exceed the redemption amounts from such restructured Senior Secured Loan, second lien loan or similar obligation;
- (l) it will not require the Issuer or the pool of collateral to be registered as an investment company under the Investment Company Act;
  - (m) it is not a debt obligation that pays scheduled interest less frequently than annually (other than, for the avoidance of doubt, PIK Obligations);
  - (n) it is not subject to a tender offer, voluntary redemption, exchange offer, conversion or other similar action for a price less than its par amount plus all accrued and unpaid interest;
  - (o) the Collateral Debt Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;
  - (p) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Debt Obligation;
  - (q) it is an obligation (i) that is acquired, and held in a manner that does not violate the U.S. Investment Restrictions set out in the Collateral Management Agreement, and (ii) the nature of which does not violate the U.S. Investment Restrictions set out in the Collateral Management Agreement;
  - (r) upon acquisition, both (i) the Collateral Debt Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or other arrangement having a similar commercial effect in favour of the Trustee for the benefit of the Secured Parties and (ii) (subject to (i) above) the Issuer (or the Collateral Manager on behalf of the Issuer) has notified the Trustee in the event that any Collateral Debt Obligation that is a bond is held through the Custodian but not held through Euroclear or does not satisfy the requirements relating to Euroclear collateral specified in the Trust Deed and has taken such action as the Trustee may require to effect such security interest; and
  - (s) is an obligation of an Obligor or Obligors Domiciled in a Non-Emerging Market Country (as determined by the Collateral Manager acting on behalf of the Issuer);
  - (t) is not an obligation of an Obligor or Obligors Domiciled in a country with a Moody's local currency country risk ceiling of "Baa1" or below;
  - (u) it has not been called for, and is not subject to a pending, redemption;
  - (v) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions;
  - (w) 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);
  - (x) it must require the consent of at least 66⅔% 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;
  - (y) the Obligor or Obligors of such obligation are not (i) a Restricted Party or reasonably expected to become a Restricted Party or (ii) currently involved in any publically recorded (or, to the best of the knowledge of the Issuer, the Collateral Manager, or the Sub-Manager) claim, action, suit, proceedings or investigation with regard to Sanctions or (iii) individuals;

- (z) it is not a Project Finance Loan;
- (aa) it is not, and is not convertible into, an equity security; and
- (bb) it is in registered form for U.S. federal income tax purposes unless it is not a “registration required” instrument.

## **Management of the Portfolio**

### ***Overview***

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Debt Obligations and Exchanged Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Debt Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Debt Obligations. The Collateral Manager shall determine (in consultation with the Collateral Administrator), as at the date of the proposed acquisition, that the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied (or where such relevant criterion permits, maintained or improved) in connection with any such sale or reinvestment are satisfied (or where such relevant criterion permits, maintained or improved) or, if any such criteria are not satisfied (or where such relevant condition permits, maintained or improved), shall notify the Issuer of the reasons and the extent to which such criteria are not so satisfied (or where such relevant criterion permits, maintained or improved). Certification as of the trade date of the satisfaction of such tests (or where such relevant criterion permits, such tests are maintained or improved) shall be made upon delivery to the Collateral Administrator of a trade ticket by the Collateral Manager in respect of such acquisition on the settlement date thereof, and the Collateral Administrator in turn shall make the relevant certifications in the Issuer Order (as defined in the Collateral Management Agreement) on such date, subject to and in accordance with the terms of the Collateral Management Agreement.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Debt Obligations (including all Substitute Collateral Debt Obligations) taking into account the Eligibility Criteria and will monitor the performance 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 Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Debt Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer’s, monitoring of the performance of the Collateral Manager under the Collateral Management Agreement.

### ***Sale of Collateral Debt Obligations***

#### ***Sale of Issue Date Collateral Debt Obligations***

The Collateral Manager, acting on behalf of the Issuer shall sell any Issue Date Collateral Debt Obligations which do not comply with the Eligibility Criteria on the Issue Date (each a “**Non-Eligible Issue Date Collateral Debt Obligation**”) Any Sale Proceeds received in connection therewith may be reinvested in Substitute Collateral Debt Obligations satisfying the Eligibility Criteria or credited to the Principal Account pending such reinvestment.

#### ***Terms and Conditions applicable to the 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 Collateral Manager (acting on behalf of the Issuer) subject to:

- (a) the Collateral Manager’s knowledge, no Note Event of Default having occurred which is continuing; and
- (b) the Collateral Manager believes, in its reasonable judgment, that such security constitutes a Credit Impaired Obligation, a Credit Improved Obligation or a Defaulted Obligation as the case may be,

provided that if the Collateral Manager is removed following the occurrence of a Collateral Manager Event of Default and a successor collateral manager has not been appointed and accepted such appointment, the Collateral Manager shall not sell any Credit Impaired Obligation, Credit Improved Obligation or any Defaulted Obligation.

*Terms and Conditions applicable to the Sale of Exchanged Securities*

Any Exchanged Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer) subject to, to the Collateral 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 Collateral Manager shall be required by the Issuer to use its 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).

Provided that if the Collateral Manager is removed following the occurrence of a Collateral Manager Event of Default and a successor collateral manager has not been appointed and accepted such appointment, the Collateral Manager shall not sell any Exchanged Security.

*Discretionary Sales*

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Debt Obligation (other than 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 above) at any time (other than during a Restricted Trading Period) provided:

- (a) no Note Event of Default having occurred which is continuing;
- (b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 25 per cent. of the Aggregate Collateral Balance as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be); and
- (c) either:
  - (i) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter 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 with an Aggregate Principal Balance outstanding at least equal to the Principal Balance of such sold Collateral Debt Obligation or Collateral Debt Obligations within 45 days after the settlement of such sale in accordance with the Reinvestment Criteria; or
  - (ii) at any time, either: (1) the Sale Proceeds from such sale are at least equal to the Principal Balance of such Collateral Debt Obligation; or (2) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Debt Obligations (excluding the Collateral Debt Obligation being sold but including, without duplication, the Sale Proceeds of such sale) plus, without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (including Eligible Investments therein) will be greater than (or equal to) the Reinvestment Target Par Amount (as defined below).

*Restricted Trading Period*

The Issuer or the Collateral Manager (acting on its behalf) shall promptly notify Fitch and Moody's upon the occurrence of a Restricted Trading Period.

*Sale of Collateral Prior to Maturity Date*

In the event of: (i) any redemption of the Rated Notes in whole prior to the Maturity Date; or (ii) receipt of notification from the Trustee of enforcement of the security over the Collateral; the Collateral 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 and sell all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 27 (*Realisation of Collateral*) of the Collateral Management Agreement but without regard to the limitations set out in clause 20 (*Management of the Portfolio*) and Schedule 3 (*Reinvestment Criteria*) of the Collateral Management Agreement (which will include any limitations or restrictions set out in the Conditions of the Notes and the Trust Deed).

#### *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 Collateral Management Agreement, the Collateral Manager shall use 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.

#### *Disposal of Unsaleable Assets*

Following the delivery of prior written notice of a proposed Optional Redemption in accordance with Condition 7(b)(iv)(A), or the delivery of an Acceleration Notice (actual or deemed) in accordance with Condition 10(b), the Collateral Manager, acting on behalf of the Issuer, may conduct an auction of Unsaleable Assets. The Issuer will provide notice (in such form as is prepared by the Collateral Manager) to the Noteholders in accordance with the Conditions (and, for so long as any Rated Notes are Outstanding, the Rating Agencies) 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 purchase for cash one or more Unsaleable Assets no later than the date specified in the auction notice (which shall be at least 15 Business Days after the date of such notice) and, for any Unsaleable Asset for which one or more bids are received, the Collateral Manager, on behalf of the Issuer, will deliver such Unsaleable Asset to the highest bidder against payment in cash of the bid price;
- (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;
- (c) if no Noteholder submits such a bid for an Unsaleable Asset, unless delivery in kind is not legally permissible or commercially practicable, the Collateral Manager will direct the Issuer to notify, and the Issuer will notify each Noteholder in accordance with the Conditions of the offer to deliver (at no cost to the Noteholders, the Collateral Manager or the Trustee) a pro rata portion of each unsold Unsaleable Asset to the Noteholders of the most senior Class that provide delivery instructions to the Collateral Manager on or before the date specified in such notice, subject to minimum denominations. To the extent that minimum denominations do not permit a pro rata distribution, the Collateral Manager will identify and distribute the Unsaleable Assets on a pro rata basis to the extent possible and the Collateral Manager will select by lottery the Noteholder to whom the remaining portion will be delivered. The Collateral Manager will use reasonable efforts to effect delivery of such portions of unsold Unsaleable Assets. For the avoidance of doubt, any such delivery to the Noteholders will not operate to reduce the principal amount outstanding of the related Notes held by such Noteholders; and
- (d) if no such Noteholder provides delivery instructions to the Collateral Manager, the Collateral Manager will take such action (if any) to dispose of the Unsaleable Asset, which may be by donation to a charity, abandonment or other means.

#### *Reinvestment of Collateral Debt Obligations*

"Reinvestment Criteria" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" below and following the expiry of the Reinvestment Period, the criteria set out below under

*“Following the Expiry of the Reinvestment Period”*. The Reinvestment Criteria shall not apply prior to the Effective Date or in the case of a Collateral Debt Obligation which has been restructured where such restructuring has become binding on the holders thereof.

*During the Reinvestment Period*

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) shall, using all reasonable endeavours, reinvest any Principal Proceeds in the purchase of Substitute Collateral Debt Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Collateral Debt Obligation and taking into account existing commitments, the criteria set out below (except satisfaction of the Eligibility Criteria, which shall apply only after the Effective Date), must be satisfied:

- (a) no Note Event of Default has occurred that is continuing at the time of such purchase;
- (b) on and after the Effective Date (or in the case of the Interest Coverage Tests, the second Payment Date) the Coverage Tests are satisfied or if (other than with respect to the reinvestment of any proceeds received upon the sale of, or as a recovery on, any Defaulted Obligation, in respect of which such proceeds may only be reinvested if the Coverage Tests will be satisfied immediately following such reinvestment) as calculated immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation, the Principal Proceeds of which are being reinvested, any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment than it was immediately prior to sale or prepayment (in whole or in part) of the relevant Collateral Debt Obligation;
- (c) 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;
  - (ii) the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Debt Obligations (after giving effect to such reinvestment) will be maintained or increased, when respectively compared to the Aggregate Principal Balance (for which purpose the Principal Balance of each Defaulted Obligation shall be multiplied by its Market Value) of all Collateral Debt Obligations immediately prior to such sale; or
  - (iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Amount;
- (d) in the case of a Substitute Collateral Debt Obligation purchased with Sale Proceeds of a Credit Improved Obligation either:
  - (i) the Aggregate Principal Balance shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale of the relevant Credit Improved Obligation; or
  - (ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any

Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Amount;

- (e) on and after the Effective Date (or in the case of the Interest Coverage Tests, the second Payment Date) either: (A) each of the Portfolio Profile Tests and the Collateral Quality Tests will be satisfied; or (B) if any of the Portfolio Profile Tests or Collateral Quality Tests are not satisfied such test will be maintained or improved after giving effect to such reinvestment;
- (f) the date on which the Issuer (or the Collateral Manager acting on behalf of the Issuer) enters into a binding commitment to purchase such Collateral Debt Obligation occurs during the Reinvestment Period;
- (g) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Improved Obligations, Credit Impaired Obligations, Defaulted Obligations and Exchanged Securities) either:
  - (i) the Aggregate Principal Balance of all Collateral Debt Obligations shall be maintained or improved after giving effect to such reinvestment when compared with the Aggregate Principal Balance immediately prior to the sale that generates such Sale Proceeds; or
  - (ii) after giving effect to such sale, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Substitute Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligations); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments)) is greater than the Reinvestment Target Par Amount; and
- (h) in the case of a Substitute Collateral Debt Obligation that is an Unhedged Collateral Debt Obligation, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) but excluding amounts that will be applied to purchase such Substitute Collateral Debt Obligations) is greater than the Reinvestment Target Par Amount.

*Following the Expiry of the Reinvestment Period*

Following the expiry of the Reinvestment Period, Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations, only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Debt Obligations satisfying the Eligibility Criteria, in each case provided that:

- (a) the Aggregate Principal Balance of Substitute Collateral Debt Obligations equals or exceeds the Aggregate Principal Balance of the related Collateral Debt Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be;
- (b) a Restricted Trading Period is not currently in effect;
- (c) each of the Moody's Maximum Weighted Average Rating Factor Test and the Fitch Maximum Weighted Average Rating Factor Test is satisfied immediately after giving effect to such reinvestment;
- (d) either: (I) each of the Portfolio Profile Tests and the Collateral Quality Tests (except the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Fitch Maximum Weighted Average Rating Factor Test) are satisfied after giving effect to such reinvestment; or (II) if any such test was not satisfied immediately prior to such reinvestment, such test will be maintained or improved after giving effect to such reinvestment;

- (e) no Note Event of Default has occurred that is continuing at the time of such reinvestment;
- (f) before and after giving effect to such purchase, each Coverage Test is satisfied;
- (g) the Collateral Debt Obligation Stated Maturity of each Substitute Collateral Debt Obligation is the same as or earlier than the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;
- (h) after giving effect to the reinvestment, not more than 7.5 per cent. of the Aggregate Collateral Balance consist of obligations which are Fitch CCC Obligations;
- (i) after giving effect to the reinvestment, not more than 7.5 per cent. of the Aggregate Collateral Balance consist of obligations which are Moody's Caa Obligations; and
- (j) in the case of a Substitute Collateral Debt Obligation that is an Unhedged Collateral Debt Obligation, the sum of: (A) the Aggregate Principal Balance of all Collateral Debt Obligations (excluding all of the Collateral Debt Obligations being sold but including, without duplication, the Collateral Debt Obligations being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Debt Obligation); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on Eligible Investments) but excluding amounts that will be applied to purchase such Substitute Collateral Debt Obligations) is greater than the Reinvestment Target Par Amount.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Impaired Obligations and Credit Improved Obligations that have not been reinvested as provided above prior to the end of the Due Period in which such proceeds were received shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payment on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Impaired Obligations and 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 for no longer than 90 days following their receipt by the Issuer; provided that, in each case where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and disbursed in accordance with the Principal Proceeds Priority of Payments set out in Condition 3(c)(ii) (*Application of Principal Proceeds*) and such funds shall be applied only in redemption of the Notes in accordance with the Priorities of Payments.

#### *Amendments to Collateral Debt Obligation Stated Maturities of Collateral Debt Obligations*

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment: (a) the Collateral Debt Obligation Stated Maturity of the Collateral Debt Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes and (b) the Weighted Average Life Test is satisfied. If the Issuer or the Collateral Manager has not voted in favour of a Maturity Amendment which would contravene the requirements of this paragraph but the Collateral Debt Obligation Stated Maturity has been extended, by way of scheme of arrangement or otherwise, the Issuer or the Collateral Manager acting on its behalf may but shall not be required to sell such Collateral Debt Obligation provided that in any event the Collateral 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.

#### *Expiry of the Reinvestment Criteria Certification*

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Debt Obligations purchased by the Issuer with respect to



which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Debt Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Debt Obligations.

#### *Interest Diversion Test*

If the Class F Par Value Ratio is less than 105.7 per cent. on the relevant Measurement Date, Interest Proceeds shall be paid to the Principal Account (i) during the Reinvestment Period, for the acquisition of additional Collateral Debt Obligations and (ii) following the Reinvestment Period, for the redemption of the Rated Notes in accordance with the Note Payment Sequence, in each case, in an amount equal to the Required Diversion Amount.

#### *Designation for Reinvestment*

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day following each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management 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 Payments.

The Collateral 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 interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation for so long as it is a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

#### *Accrued Interest*

Amounts included in the purchase price of any Collateral Debt Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Debt Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Debt Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds.

#### *Block Trades*

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral 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 Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Debt Obligation or a group of Collateral Debt Obligations) identified by the Collateral Manager as such at the time (the “**Initial Trading Plan Calculation Date**”) when compliance with the Reinvestment Criteria is required to be calculated (a “**Trading Plan**”) may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the ten 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 as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; and (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; provided that no Trading Plan may result in the averaging of the purchase price of a Collateral Debt Obligation or Collateral Debt Obligations.

#### *Eligible Investments*

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may from time to time purchase Eligible Investments out of the Balances standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Account, Unfunded Revolver Reserve Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

#### *Collateral Enhancement Debt Obligations*

The Collateral Manager (acting on behalf of the Issuer) may, from time to time purchase Collateral Enhancement Debt 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 Debt 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)(vi) (*Collateral Enhancement Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise interest payable in respect of the Subordinated Notes which the Collateral Manager acting on behalf of the Issuer, determines shall be paid into the Collateral Enhancement Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders.

Collateral Enhancement Debt Obligations may be sold at any time and all Collateral Enhancement Debt Obligation Proceeds received by the Issuer shall be deposited into the Principal Account for allocation in accordance with the Principal Proceeds Priority of Payments.

Collateral Enhancement Debt 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.

#### *Revolving Obligations and Delayed Drawdown Collateral Debt Obligations*

The Collateral Manager acting on behalf of the Issuer, may acquire Collateral Debt Obligations which are Revolving Obligations or Delayed Drawdown Collateral Debt Obligations from time to time.

Such Revolving Obligations and Delayed Drawdown Collateral Debt Obligations may only be acquired if they are capable of being drawn in a single currency only (being Euros) and are not payable in or convertible into another currency.

Each Revolving Obligation and Delayed Drawdown Collateral Debt Obligation will, pursuant to its terms, require the Issuer to make one or more future advances or other extensions of credit (including extensions of credit made on an unfunded basis pursuant to which the Issuer may be required to reimburse the provider of a guarantee or other ancillary facilities made available to the obligor thereof in the event of any default by the obligor thereof in respect of its reimbursement obligations in connection therewith). Such Revolving Obligations and Delayed Drawdown Collateral Debt Obligations may or may not provide that they may be repaid and reborrowed from time to time by the Obligor thereunder. Upon acquisition of any Revolving Obligations and Delayed Drawdown Collateral Debt Obligations, the Issuer shall deposit into the Unfunded Revolver Reserve Account amounts equal to the combined aggregate principal amounts of the Unfunded Amounts under each of the Revolving Obligations and Delayed Drawdown Collateral Debt Obligations. To the extent required and subject to Rating Agency Confirmation, the Issuer, or the Collateral Manager acting on its behalf, may direct that amounts standing to the credit of the Unfunded Revolver Reserve Account be deposited with a third party from time to time as collateral for any reimbursement or indemnification obligations owed by the Issuer to any other lender in connection with a

Revolving Obligation or a Delayed Drawdown Collateral Debt Obligation, as applicable and upon receipt of an Issuer Order (as defined in the Master Definitions Agreement) the Trustee shall be deemed to have released such amounts from the security granted thereover pursuant to the Trust Deed.

### ***Participations***

The Collateral Manager acting on behalf of the Issuer, may from time to time acquire Collateral 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 that represents Participations entered into by the Issuer with a single Selling Institution to such third party will not exceed the individual and aggregate percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and
- (b) the percentage of the Aggregate Collateral Balance that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof) having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency),  
  
will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating, and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral 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 Collateral 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 Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within their control, with any requirements relating to such Assignment set out in the relevant loan documentation for such Collateral 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**”) and as referred to in “*Portfolio Profile Tests and Collateral Quality 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 Collateral Debt Obligation Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the “**Third Party Exposure**”) and the applicable percentage limits shall be determined by reference to the lower of the Fitch or Moody’s ratings applicable to such counterparty and the aggregate third party credit exposure limit shall be determined by reference to the aggregate of Third Party Exposure of all such counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

### **Bivariate Risk Table**

Long Term / Short Term Senior Unsecured Debt Rating of Selling Institution	Individual Third Exposure Limit*	Party Credit	Aggregate Third Exposure Limit*	Party Credit
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***Moody's***

Aaa	5%		5%	
Aa1	5%		5%	
Aa2	5%		5%	
Aa3	5%		5%	
A1	5%		5%	
A2 and P-1	5%		5%	
A3 or below	0%		0%	

***Fitch***

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 counterparties which share the same rating level or have a lower rating level, as indicated in the Bivariate Risk Table.

**Portfolio Profile Tests and Collateral Quality Tests**

*Measurement of Tests*

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Debt Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Determination Date (save as otherwise provided herein).

Substitute Collateral Debt Obligations in respect of which a binding commitment has been made to purchase such Substitute Collateral Debt Obligations but such purchase has not been settled shall nonetheless be deemed to have

been purchased for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests. See “*Reinvestment in Collateral Debt Obligations*” above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral 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 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Loans and 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 and the Unused Proceeds Account and any Eligible Investments which represent Principal Proceeds, in each case as at the relevant Measurement Date);
- (b) not more than 35 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Senior Secured Bonds and High Yield Bonds;
- (c) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Second Lien Loans, Senior Unsecured Obligations, High Yield Bonds, and Mezzanine Obligations;
- (d) not more than 12.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fixed Rate Collateral Debt Obligations;
- (e) not more than 20 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Asset Swap Obligations provided that an Asset Swap Transaction is entered into in respect of each such Asset Swap Obligation with one or more Asset Swap Counterparties satisfying the applicable Rating Requirement under which the currency risk is reduced or eliminated, as soon as practicable (and no later than the relevant settlement date);
- (f) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Unhedged Collateral Debt Obligations;
- (g) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Swapped Non-Discount Obligations;
- (h) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions rated below “A-” by Fitch unless a Rating Agency Confirmation from Fitch is obtained;
- (i) not more than 10 per cent. of the Aggregate Collateral Balance shall consist of Obligors who are Domiciled in countries or jurisdictions with Moody's local currency country risk ceiling between “A1” and “A3”;
- (j) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Current Pay Obligations;
- (k) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Unfunded Amounts/Funded Amounts under Revolving Obligations or Delayed Drawdown Collateral Debt Obligations;
- (l) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Corporate Rescue Loans, provided that not more than 2 per cent. thereof shall consist of Corporate Rescue Loans from a single Obligor;
- (m) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are PIK Obligations;

- (n) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Annual Obligations;
- (o) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Moody's Caa Obligations;
- (p) not more than 7.5 per cent. of the Aggregate Collateral Balance shall consist of obligations which are Fitch CCC Obligations;
- (q) not more than 10 per cent. of the Aggregate Collateral Balance shall carry a Moody's Rating derived from an S&P Rating;
- (r) 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 provided that the Aggregate Principal Balance of such obligations of 3 Obligors may each represent up to 3 per cent. each;
- (s) with respect to Senior Unsecured Obligations, Second Lien Loans, Mezzanine Obligations and High Yield Bonds, in aggregate, not more than 1.5 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor provided that up to 3 Obligors may represent up to 2 per cent. each;
- (t) not more than 3 per cent. of the Aggregate Collateral Balance shall be the obligation of any single Obligor;
- (u) not more than 10 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Moody's industry classification provided that any two Moody's industry classifications may comprise up to 12 per cent. of the Aggregate Collateral Balance and one Moody's industry classification may comprise between up to 15 per cent. of the Aggregate Collateral Balance;
- (v) not more than 20 per cent. of the Aggregate Collateral Balance shall be obligations comprising any one Fitch industry category provided that in respect of the three Fitch industry categories containing the most Collateral Debt Obligations, measured according to the Principal Balance thereof, not more than 50 per cent. thereof may consist of Collateral Debt Obligations whose Obligor belongs to one of those Fitch industry categories;
- (w) not more than 5 per cent. of the Aggregate Collateral Balance shall consist of Participations;
- (x) not more than 2.5 per cent. of the Aggregate Collateral Balance shall consist of Bridge Loans;
- (y) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied;
- (z) not more than 20 per cent. of the Aggregate Collateral Balance shall consist of Cov-Lite Loans; and
- (aa) not more than 20.0 per cent. of the Aggregate Collateral Balance shall consist of loans to an Obligor which is a Portfolio Company, for which purpose, loans that are syndicated to an initial lender group of greater than five, shall not be counted as loans to an Obligor which is a Portfolio Company, provided that for the purposes of this calculation where the Collateral Manager or an Affiliate thereof manages funds holding 40 per cent or more of a loan, such loan will in any event be counted as an obligation of an Obligor which is a Portfolio Company.

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. Collateral Debt Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to purchase but have not yet settled shall be included for the purposes of calculating the Portfolio Profile Tests and Collateral Debt Obligations for which the Issuer (or the Collateral Manager acting on behalf of the Issuer) has entered into binding commitments to sell but have not yet settled shall be excluded for the purposes of calculating the Portfolio Profile Tests.

### *Collateral Quality Tests*

The Collateral Quality Tests will consist of each of the following:

- (a) so long as any Notes rated by Fitch are Outstanding:
  - (i) the Fitch Maximum Weighted Average Rating Factor Test;
  - (ii) the Fitch Minimum Weighted Average Recovery Rate Test;
- (b) so long as any Notes rated by Moody's are Outstanding:
  - (i) the Moody's Minimum Diversity Test;
  - (ii) the Moody's Minimum Weighted Average Recovery Test;
  - (iii) the Moody's Maximum Weighted Average Rating Factor Test;
- (c) so long as any Rated Notes are Outstanding:
  - (i) the Weighted Average Life Test;
  - (ii) the Minimum Weighted Average Spread Test; and
  - (iii) the Minimum Weighted Average Coupon Test,

each as defined in the Collateral Management Agreement.

The Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests.

### *Moody's Test Matrix*

- (a) Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management Agreement (the "**Moody's Test Matrix**") shall be applicable for purposes of the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Diversity Test and the Minimum Weighted Average Spread Test. For any given case:
- (b) the applicable column for performing the Moody's Minimum Diversity Test will be the column (or linear interpolation between two adjacent columns, as applicable) in which the elected case is set out;
- (c) the applicable row and column for performing the Moody's Maximum Weighted Average Rating Factor Test will be the row and column (or linear interpolation between two adjacent rows and/or two adjacent columns (as applicable) in which the elected case is set out; and
- (d) the applicable row for performing the Minimum Weighted Average Spread Test will be the row (or linear interpolation between two adjacent rows, as applicable) in which the elected test is set out.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on ten Business Days' notice to the Issuer, the Collateral Administrator and Moody's, the Collateral Manager may elect to have a different case apply, provided that the Moody's Minimum Diversity Test, the Moody's Maximum Weighted Average Rating Factor Test, the Moody's Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied (and, in relation to the Minimum Weighted Average Spread Test, taking into account the case that the Collateral Manager has elected to apply under the Fitch Test Matrix) or, in the case of any tests that are not satisfied, are closer to being satisfied. In no event will the Collateral Manager be obliged to elect to have a different case apply.

### *Fitch Tests Matrices*

Subject to the provisions provided below, on or after the Effective Date, the Collateral Manager will have the option to elect which of the cases set forth in the matrix to be set out in the Collateral Management Agreement (the “**Fitch Test Matrices**”) shall be applicable for purposes of the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test. For any given case:

- (a) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column in the Fitch Test Matrix selected by the Collateral Manager;
- (b) the applicable row for performing the Minimum Weighted Average Spread Test will be the row in the applicable Fitch Test Matrix selected by the Collateral Manager; 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 applicable Fitch Test Matrix selected by the Collateral Manager in relation to (a) and (b) above.

On the Effective Date, the Collateral Manager will be required to elect which case shall apply initially. Thereafter, on ten Business Days’ notice to the Issuer, the Collateral Administrator and Fitch, the Collateral Manager may elect to have a different case apply, provided that the Weighted Average Life Test, the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test and the Minimum Weighted Average Spread Test applicable to the case to which the Collateral Manager desires to change are satisfied. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

### *The Moody’s Minimum Diversity Test*

The “**Moody’s Minimum Diversity Test**” will be satisfied as at any Determination Date from (and including) the Effective Date, if the Diversity Score equals or exceeds the number set forth in the column entitled “Minimum Diversity Score” in the Moody’s Test Matrix based upon the applicable “row/column” combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)).

The “**Diversity Score**” is a single number that indicates collateral concentration and correlation in terms of both issuer and industry concentration and correlation. It is similar to a score that Moody’s uses to measure concentration and correlation for the purposes of its ratings. A higher Diversity Score reflects a more diverse portfolio in terms of the issuer and industry concentration. The Diversity Score for the Collateral Debt Obligations is calculated by summing each of the Industry Diversity Scores which are calculated as follows:

- (a) an “**Average Principal Balance**” is calculated by summing the Obligor Principal Balances and dividing by the sum of the aggregate number of issuers and/or borrowers represented;
- (b) an “**Obligor Principal Balance**” is calculated for each Obligor represented in the Collateral Debt Obligations by summing the Principal Balances of all Collateral Debt Obligations (excluding Defaulted Obligations) issued by such Obligor, provided that if a Collateral Debt Obligation has been sold or is the subject of an optional redemption or Offer, and the Sale Proceeds or Unscheduled Principal Proceeds from such event have not yet been reinvested in Substitute Collateral Debt Obligations or distributed to the Holders or the other creditors of the Issuer in accordance with the Priorities of Payments, the Obligor Principal Balance shall be calculated as if such Collateral Debt Obligation had not been sold or was not subject to such an optional redemption or Offer;
- (c) an “**Equivalent Unit Score**” is calculated for each Obligor by taking the lesser of (i) one and (ii) the Obligor Principal Balance for such Obligor divided by the Average Principal Balance;
- (d) an “**Aggregate Industry Equivalent Unit Score**” is then calculated for each of the 32 Moody’s industrial classification groups by summing the Equivalent Unit Scores for each Obligor in the industry (or such other



industrial classification groups and Equivalent Unit Scores as are published by Moody's from time to time); and

- (e) an “**Industry Diversity Score**” is then established by reference to the Diversity Score Table shown below (or such other Diversity Score Table as is published by Moody's from time to time) (the “**Diversity Score Table**”) for the related Aggregate Industry Equivalent Unit Score. If the Aggregate Industry Equivalent Unit Score falls between any two such scores shown in the Diversity Score Table, then the Industry Diversity Score is the lower of the two Diversity Scores in the Diversity Score Table.

For purposes of calculating the Diversity Scores any Obligor's Affiliated with one another will be considered to be one Obligor.

#### **Diversity Score Table**

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900

1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500

4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

*The Moody's Maximum Weighted Average Rating Factor Test*

The **“Moody's Maximum Weighted Average Rating Factor Test”** will be satisfied as at any Determination Date from (and including) the Effective Date, if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Debt Obligations as at such Determination Date is equal to or less than the sum of (i) the number set forth in the Moody's Test Matrix at the intersection of the applicable “row/column” combination chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)), (acting on behalf of the Issuer) as at such Determination Date plus (ii) the Moody's Weighted Average Recovery Adjustment, provided, however, that the sum of (i) and (ii) may not exceed 3,700.

The **“Moody's Weighted Average Rating Factor”** is determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation, excluding Defaulted Obligations, by its Moody's Rating Factor, dividing such sum by the Aggregate Principal Balances of all such Collateral Debt Obligations, excluding Defaulted Obligations, and rounding the result up to the nearest whole number.

The **“Moody's Rating Factor”** relating to any Collateral Debt Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Debt Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500

Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

The “**Moody’s Weighted Average Recovery Adjustment**” means, as of any Determination Date, the greater of:

- (a) zero; and
- (b) the product of:
  - (i)
    - (A) the Weighted Average Moody’s Recovery Rate as of such Determination Date multiplied by 100 minus
    - (B) 40; and
  - (ii) (A) with respect to the adjustment of the Moody’s Maximum Weighted Average Rating Factor Test, such figure specified in the Collateral Management Agreement and (B) with respect to the adjustment of the Minimum Weighted Average Spread Test, if the Weighted Average Floating Spread is equal to or greater than such percentage specified in the Collateral Management Agreement, provided that if the Weighted Average Moody’s Recovery Rate for purposes of determining the Moody’s Weighted Average Recovery Adjustment is greater than 60 per cent., then such Weighted Average Moody’s Recovery Rate shall equal 60 per cent. unless Rating Agency Confirmation is obtained;

provided further that the amount specified in clause (b)(i) above may only be allocated once on any Determination Date and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(i)(B) and the portion of such amount that shall be allocated to clause (b)(i)(A) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(i)(A)).

“**Adjusted Weighted Average Moody’s Rating Factor**” means, as of any Determination Date, a number equal to the Moody’s Weighted Average Rating Factor determined in the following manner: each applicable rating on credit watch by Moody’s that is (a) on review for upgrade will be treated as having been upgraded by one rating subcategory, (b) on review for downgrade will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory.

*The Moody’s Minimum Weighted Average Recovery Rate Test*

The “**Moody’s Minimum Weighted Average Recovery Rate Test**” will be satisfied, as at any Determination Date from (and including) the Effective Date, if the Weighted Average Moody’s Recovery Rate is greater than or equal to 40.0 per cent.

The “**Weighted Average Moody’s Recovery Rate**” means, as of any Determination Date, the number, expressed as a percentage, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation (excluding Defaulted Obligations) by its corresponding Moody’s Recovery Rate and dividing such sum by the Aggregate Principal Balance of all such Collateral Debt Obligations and rounding up to the nearest 0.1 per cent.

The “**Moody’s Recovery Rate**” is, except as otherwise advised by Moody’s, with respect to any Collateral Debt Obligation, as of any Determination Date, the recovery rate determined in accordance with the following, in the following order of:

- (a) if the Collateral Debt Obligation has been specifically assigned a recovery rate by Moody’s (for example, in connection with the assignment by Moody’s of an estimated rating), such recovery rate;

- (b) if the preceding clause does not apply to the Collateral Debt Obligation, except with respect to Corporate Rescue Loan, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Debt Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Secured Loans	Senior Secured Loans, Second Lien Loans, Senior Secured Bonds, Senior Secured Floating Rate Notes *	All other Collateral Debt Obligations
+2 or more	60%	55%	45%
+1	50%	45%	35%
0	45%	35%	30%
-1	40%	25%	25%
-2	30%	15%	15%
-3 or less	20%	5%	5%

\* If such Collateral Debt Obligation does not have both a Collateral Debt Obligation's Moody's Rating and a CFR, such Collateral Debt Obligation will be deemed to fall under "All Other Collateral Debt Obligations" for purposes of this table.

- (c) if the Collateral Debt Obligation is a Corporate Rescue Loan (other than a Corporate Rescue Loan which has been specifically assigned a recovery rate by Moody's), 50%.

*The Fitch Maximum Weighted Average Rating Factor Test*

**"Fitch Maximum Weighted Average Rating Factor Test"** means that test that will be satisfied, on any Determination Date from (and including) the Effective Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Tests Matrices.

**"Fitch Weighted Average Rating Factor"** is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all such Collateral Debt 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 Determination Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrices.

**“Fitch Weighted Average Recovery Rate”** means, as of any Determination Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Debt Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Debt Obligations and rounding to the nearest 0.1 per cent.

**“Fitch Recovery Rate”** means, with respect to a Collateral Debt Obligation, the recovery rate determined in accordance with paragraphs (i) to (iii) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

- (i) if such Collateral 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 Collateral Manager, the recovery rate corresponding to such recovery rating in the table below (unless an obligation’s specific recovery rate (expressed as a percentage) is provided by Fitch in which case such recovery rate is used):

Fitch recovery rating	Fitch recovery rate (%)
RR1	95
RR2	80
RR3	60
RR4	40
RR5	20
RR6	5

- (ii) if such Collateral Debt Obligation (A) has no public Fitch recovery rating, (B) neither a recovery rating nor an obligation’s specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and (C) 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

- (iii) if such Collateral Debt Obligation (A) has no public Fitch recovery rating, (B) neither a recovery rating nor an obligation’s specific recovery rate is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and (C) has no public S&P recovery rating, (x) if such Collateral Debt Obligation is a Senior Secured Bond, the recovery rate applicable to such Senior Secured Bond shall be the recovery rate corresponding to the Fitch recovery rating of “RR3” in the table set forth under (i) 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 Senior Secured Loan, “Moderate Recovery” if it is an Senior

Unsecured Obligation 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, Austria, Bahamas, Bermuda, Canada, Cayman Islands, Denmark, Finland, Germany, Gibraltar, Hong Kong, Iceland, Ireland, Japan, Jersey, Liechtenstein, Netherlands, New Zealand, Norway, Singapore, South Korea, Sweden, Switzerland, Taiwan, the UK.

**Group B:** Belgium, France, Italy, Luxembourg, Portugal, Spain.

**Group C:** Bulgaria, Costa Rica, Chile, Croatia, Czech Republic, Estonia, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Poland, Slovakia, Slovenia, South Africa, Thailand, Tunisia, Uruguay.

**Group D:** Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Cyprus, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Greece, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Morocco, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Panama, Peru, Philippines, Puerto Rico, Qatar, Romania, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

#### *The Minimum Weighted Average Spread Test*

The “**Minimum Weighted Average Spread Test**” will be satisfied if, as at any Determination Date from (and including) the Effective Date the Weighted Average Floating Spread as at such Determination Date plus the Excess Weighted Average Coupon as at such Determination Date equals or exceeds the Minimum Weighted Average Floating Spread as at such Determination Date.

The “**Minimum Weighted Average Floating Spread**”, as of any Determination Date, means the greater of:

- the weighted average spread (expressed as a percentage) applicable to the current Fitch Tests Matrix selected by the Collateral Manager; and
- the weighted average spread (expressed as a percentage) applicable to the current Moody’s Test Matrix based upon the option chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns (as applicable)) reduced by the Moody’s Weighted Average Recovery Adjustment, provided such reduction may not reduce the Minimum Weighted Average Spread below 3.50 per cent.

The “**Weighted Average Floating Spread**” as of any Determination Date, is the number obtained by dividing:

- the amount equal to (A) the Aggregate Funded Spread plus (B) the Aggregate Unfunded Spread plus (C) the Aggregate Excess Funded Spread; by
- an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations as of such Determination Date, in each case, excluding (x) Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed



Drawdown Collateral Debt Obligations and Revolving Obligations) and (y) any interest capitalised pursuant to the terms of such instruments other than, with respect to a Mezzanine Obligation and a PIK Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation,

in each case adjusted for any withholding tax deducted in respect of the relevant obligation which is neither grossed up nor recoverable under any applicable double tax treaty.

The “**Aggregate Funded Spread**” is, as of any Determination Date, the sum of:

- (a) in the case of each Floating Rate Collateral Debt Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Debt Obligation) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Debt Obligation above EURIBOR multiplied by (ii) the Principal Balance of such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation); provided that for purposes of this definition, the interest rate spread will be deemed to be, with respect to any Floating Rate Collateral Debt Obligation that has a EURIBOR floor, (i) the stated interest rate spread plus, (ii) if positive, (x) the EURIBOR floor value minus (y) EURIBOR as in effect for the current accrual period (for the purposes of this paragraph (a) only, each reference to “EURIBOR” so far as it relates to a Collateral Debt Obligation shall mean EURIBOR as determined pursuant to the Underlying Instrument in respect of such Collateral Debt Obligation);
- (b) in the case of each Floating Rate Collateral Debt Obligation (including only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Non-Euro Obligations, Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) that bears interest at a spread over an index other than EURIBOR, (i) the excess of the sum of such spread and such index over the EURIBOR rate that has an equivalent frequency and setting date to the corresponding interest rate in respect of such Floating Rate Collateral Debt Obligation as of the immediately preceding interest determination date pursuant to the relevant Underlying Instrument (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Debt Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Debt Obligation or Revolving Obligation);
- (c) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and subject to an Asset Swap Transaction (i) the stated interest rate spread over EURIBOR (in respect of the applicable Hedge Agreement) payable by the applicable Hedge Counterparty to the Issuer under the related Asset Swap Transaction multiplied by (ii) the Principal Balance of such Non-Euro Obligation; and
- (d) in the case of each Floating Rate Collateral Debt Obligation which is a Non-Euro Obligation (including, only the required non-deferrable, current cash pay interest required by the Underlying Instruments thereon and excluding Defaulted Obligations, Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligation and Revolving Obligation) and which is not subject to an Asset Swap Transaction, the Euro equivalent of 50 per cent. of (1) the interest amount payable by the relevant obligor, less (2) the product of (x) EURIBOR multiplied by (y) its outstanding principal amount (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation).

The “**Aggregate Unfunded Spread**” is, as of any Determination Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Debt Obligation and Revolving Obligation (other than Defaulted Obligations, Deferring Securities and Partial PIK Obligations (in respect of any non-cash paying interest)), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Debt Obligation and Revolving Obligation as of such date.

The “**Aggregate Excess Funded Spread**” is, as of any Determination Date, the amount obtained by multiplying:

- (a) EURIBOR applicable to the Rated Notes during the Accrual Period in which such Determination Date occurs; by
- (b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Debt Obligations (excluding (x) for any Deferring Security or Partial PIK Obligations (in respect of any non-cash paying interest) any interest that has been deferred and capitalised thereon and (y) the Principal Balance of any Defaulted Obligation and (z) the principal balance of any Fixed Rate Collateral Debt Obligation) as of such Determination Date minus (ii) the Target Par Amount minus (iii) the aggregate amount of Principal Proceeds received from the issuance of additional notes pursuant to the Trust Deed.

The “**Excess Weighted Average Coupon**” means a percentage equal as of any Determination Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained by dividing the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations.

*Minimum Weighted Average Coupon Test*

The “**Minimum Weighted Average Coupon Test**” will be satisfied on any Determination Date if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The “**Minimum Weighted Average Coupon**” means (i) if any of the Collateral Debt Obligations are Fixed Rate Collateral Debt Obligations 5.0 per cent. and (ii) otherwise zero per cent.

The “**Weighted Average Coupon**”, as of any Measurement Date, is the number obtained by dividing:

- (a) the amount equal to the Aggregate Coupon; by
- (b) an amount equal to the Aggregate Principal Balance of all Fixed Rate Collateral Debt Obligations as of such Determination Date, in each case, excluding (x) Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations) and (y) any interest capitalised pursuant to the terms of such instruments other than, with respect to a Mezzanine Obligation and a PIK Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation.

The “**Aggregate Coupon**” is, as of any Determination Date, the sum of (i) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and subject to an Asset Swap Transaction and excluding Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, the product of (x) stated coupon on such Non-Euro Obligation expressed as a percentage and (y) the Principal Balance of such Non-Euro Obligation (ii) with respect to any Fixed Rate Collateral Debt Obligation which is a Non-Euro Obligation and not subject to an Asset Swap Transaction and excluding Defaulted Obligations, Deferring Securities, Partial PIK Obligations (in respect of any non-cash paying interest) and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, an amount equal to the Euro equivalent of 50 per cent. of the product of (1) the coupon payable by the relevant obligor and (2) its outstanding principal amount (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Obligation, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Obligation), and

(iii) with respect to all other Fixed Rate Collateral Debt Obligations and excluding Defaulted Obligations, Partial PIK Obligations (in respect of any non-cash paying interest), Deferring Securities and the unfunded portion of any Delayed Drawdown Collateral Debt Obligations and Revolving Obligations, the sum of the products obtained by multiplying, in the case of each Fixed Rate Collateral Debt Obligation (including, for any Collateral Debt Obligation, only the required, non-deferrable current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Debt Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Debt Obligation.

**“Excess Weighted Average Floating Spread”** means a percentage equal as of any Determination Date to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Weighted Average Floating Spread by (b) the number obtained by dividing the Aggregate Principal Balance of all Floating Rate Collateral Debt Obligations by the Aggregate Principal Balance of all Fixed Rate Obligations.

#### *Weighted Average Life Test*

The **“Weighted Average Life Test”** will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 22 January 2023.

**“Weighted Average Life”** is, as of any Measurement Date with respect to all Collateral Debt Obligations other than Defaulted Obligations and Deferring Securities, the number of years following such date obtained by summing the products obtained by multiplying:

- (a) the Average Life at such time of each such Collateral Debt Obligation by the Principal Balance of such Collateral Debt Obligation,  
and dividing such sum by:
- (b) the Aggregate Principal Balance at such time of all Collateral Debt Obligations (other than Defaulted Obligations).

**“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 Determination 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.

#### **Rating Definitions**

##### *Moody’s Ratings Definitions*

**“Assigned Moody’s Rating”** means the monitored publicly available rating or the unpublished monitored loan rating or the credit estimate expressly assigned to a debt obligation (or facility) by Moody’s which addresses the full amount of principal and interest to be paid (or repaid) thereunder, provided that, in respect of a credit estimate, if such credit estimate is valid, current and has been in existence (and not otherwise refreshed) for more than 13 months but less than 15 months from receipt thereof by the Issuer or Collateral Manager, as the case may be, then the Assigned Moody’s Rating is one subcategory lower than the credit estimate, and provided further that, if such credit estimate is valid, current and has been in existence (and not otherwise refreshed) for more than 15 months from receipt thereof by the Issuer or Collateral Manager, as the case may be, then such Collateral Debt Obligation shall be deemed to have an Assigned Moody’s Rating of “Caa3”.

**“CFR”** means, with respect to an obligor of a Collateral Debt Obligation, if such obligor has a corporate family rating by Moody’s, then such corporate family rating; provided, if such obligor does not have a corporate family rating by Moody’s but any entity in the obligor’s corporate family does have a corporate family rating, then the CFR is such corporate family rating.

**“Moody’s Default Probability Rating”** means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

- (a) if the Obligor of such Collateral Debt Obligation has a CFR by Moody’s, then such CFR;
- (b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody’s Rating, then the Assigned Moody’s Rating on such obligation as selected by the Collateral Manager in its sole discretion;
- (c) if not determined pursuant to clause (a) or (b) above, if the Obligor of such Collateral Debt Obligation has one or more senior secured obligations with an Assigned Moody’s Rating, then the Moody’s rating that is one subcategory lower than the Assigned Moody’s Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;
- (d) if not determined pursuant to clause (a), (b) or (c) above, if a credit estimate has been assigned to such Collateral Debt Obligation by Moody’s upon the request of the Issuer, the Collateral Manager, then the Moody’s Default Probability Rating is such credit estimate provided that, if such credit estimate is valid, current and has been in existence (and not otherwise refreshed) for more than 13 months but less than 15 months from receipt thereof by the Issuer or Collateral Manager, as the case may be, then the Moody’s Default Probability Rating is one subcategory lower than the credit estimate, and provided further that, if such credit estimate is valid, current and has been in existence (and not otherwise refreshed) for more than 15 months from receipt thereof by the Issuer or Collateral Manager, as the case may be, then such Collateral Debt Obligation shall be deemed to have a Moody’s Default Probability Rating of “Caa3”;
- (e) if not determined pursuant to clauses (a), (b), (c) or (d) above, the Moody’s Derived Rating; and
- (f) if not determined pursuant to clauses (a), (b), (c), (d) or (e) above, the Collateral Debt Obligation will be deemed to have a Moody’s Default Probability Rating of “Caa3”.

For purposes of calculating a Moody’s Default Probability Rating, each applicable rating on credit watch by Moody’s with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

**“Moody’s Derived 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) with respect to any Corporate Rescue Loan, one subcategory below the facility rating (whether public or private) of such Corporate Rescue Loan rated by Moody’s;
- (b) if not determined pursuant to clause (a) above, if the Obligor of such Collateral Debt Obligation has a long-term issuer rating by Moody’s, then such long-term issuer rating;
- (c) if not determined pursuant to clause (a) or (b) above, if another obligation of the Obligor is rated by Moody’s, then by adjusting the rating of the related Moody’s rated obligations of the related Obligor by the number of rating sub-categories according to the table below:

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

- (d) if not determined pursuant to clause (a), (b) or (c) above, if the Obligor of such Collateral Debt Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;
- (e) if not determined pursuant to clause (a), (b), (c) or (d) above, then by using any one of the methods provided below:
- (i) pursuant to the table below:

Type of Collateral Debt Obligation	S&P Rating (Public and Monitored)	Number of Subcategories Relative to Rated Obligation Rating	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥BBB-	Not a Loan or Participation in Loan	-1
Not Structured Finance Obligation	≤BB+	Not a Loan or Participation in Loan	-2
Not Structured Finance Obligation		Loan or Participation in Loan	-2

- (i) if such Collateral Debt Obligation is not rated by S&P but another security or obligation of the Obligor has a public and monitored rating by S&P (a "parallel security"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in sub clause (e)(i) above, and the Moody's Derived Rating for the purposes of clause (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation will be determined in accordance with the methodology set forth in clause (a) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this sub clause (e)(i)); or
- (ii) if such Collateral Debt Obligation is a Corporate Rescue Loan, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; or
- (f) if such Collateral Debt Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Debt Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Debt Obligation to assign a rating or rating estimate with respect to such Collateral Debt Obligation but such rating or rating estimate has not been received, pending receipt of such estimate, the Moody's Derived Rating for purposes of clause (d) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Debt Obligation shall be (x) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Debt Obligations determined pursuant to this clause (f) does not exceed 5 per cent. of the Aggregate Collateral Balance of all Collateral Debt Obligations or (y) otherwise, "Caa2".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated, respectively, as having been upgraded or downgraded by one rating subcategory, as the case may be.

"**Moody's Rating**" means,

- (a) with respect to a Collateral Debt Obligation that is a Senior Secured Loan or Senior Secured Bond:

- (i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;
  - (ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the Obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one sub-category higher than such CFR;
  - (iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two sub-categories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
  - (iv) if none of clauses (i) through (iii) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and
  - (v) if none of clauses (i) through (iv) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3";
- (b) with respect to a Collateral Debt Obligation other than a Senior Secured Loan or Senior Secured Bond:
- (i) if such Collateral Debt Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;
  - (ii) if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
  - (iii) if neither clause (i) nor (ii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has a CFR, then the Moody's rating that is one sub-category lower than such CFR;
  - (iv) if none of clauses (i), (ii) or (iii) above apply, if such Collateral Debt Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Debt Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one sub-category higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;
  - (v) if none of clauses (i) through (iv) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and
  - (vi) if none of clauses (i) through (v) above apply, the Collateral Debt Obligation will be deemed to have a Moody's Rating of "Caa3".

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

**"Moody's Senior Secured Loan"** means:

- (a) a loan that:
  - (i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan; other than borrowed money, trade claims, capitalised leases or other similar obligations, or no other obligation of the Obligor has any higher priority security interest in such assets or stock, provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more advances to be made to the borrower may have a higher priority

security interest in such assets or stock in the event of an enforcement in respect of such loan representing up to 15 per cent. of the Obligor's senior debt (or more if Rating Agency Confirmation from Moody's has been obtained);

- (ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; provided that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are pari passu with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and
  - (iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); and
- (b) the loan is not:
- (i) a Corporate Rescue Loan; or
  - (ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

**"Moody's Senior Secured Floating Rate Note"** means, a Senior Secured Floating Rate Note that (x) has a Moody's facility rating and the obligor of such note has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating.

#### *Fitch Ratings Definitions*

The **"Fitch Rating"** of any Collateral Debt Obligation will be determined in accordance with the below methodology (with the sub-paragraph earliest in this definition applying in the case where more than one sub-paragraph would otherwise be applicable):

- (a) with respect to any Collateral Debt Obligation in respect of which there is a Fitch issuer default rating, whether public or privately provided to the Collateral Manager following notification by the Collateral Manager that the Issuer has entered into a binding commitment to acquire such Collateral Debt Obligation (the **"Fitch Issuer Default Rating"**), the Fitch Rating shall be such Fitch Issuer Default Rating;
- (b) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the **"Fitch LTSR"**), then the Fitch Rating shall be one notch lower than such Fitch LTSR;
- (c) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;
- (d) if in respect of the Collateral 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;

- (e) 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;
- (f) 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;
- (g) if a Fitch Rating cannot otherwise be assigned, the Collateral Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Collateral Debt Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment; or
- (h) if such Collateral 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;
  - (ii) otherwise the Issuer or the Collateral Manager on behalf of the Issuer shall apply to Fitch for an issue-level credit assessment provided that, pending receipt from Fitch of any issue-level credit assessment, the applicable Corporate Rescue Loan shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that:

- (a) 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
- (b) 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:

- (i) if the applicable Collateral Debt Obligation has been put on rating watch negative or negative credit watch for possible downgrade by:
  - (B) Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch;
  - (C) Moody's, then in the case only where the Fitch Rating is derived from a rating assigned by Moody's then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; or
  - (D) S&P, then in the case only where the Fitch Rating is derived from a rating assigned by S&P then the Fitch Rating shall be one rating subcategory below what would otherwise be the Fitch Rating determined pursuant to paragraphs (a) to (h) above; and
- (ii) 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 Agency(ies)	Rating	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 secured or subordinated	Fitch or S&P		"BBB-" or above	+0
Senior secured or subordinated	Fitch or S&P		"BB+" or below	-1
Senior secured or subordinated	Moody's		"Ba1" or above	-1
Senior secured or subordinated	Moody's		Below "Ba2", but at or above "Ca"	-2
Senior secured or subordinated	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.

**"S&P Rating"** means, with respect to any Collateral Debt Obligation, as of any date of determination, the rating assigned to such Collateral Debt Obligation by S&P.

*The Coverage Tests*

The Coverage Tests will consist of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test, the Class E Par Value Test, the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test.

The Coverage Tests will be used primarily to determine whether interest may be paid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Subordinated Notes, whether Principal Proceeds may be reinvested in Substitute Collateral Debt Obligations, or whether Interest Proceeds and, to the extent needed, Principal Proceeds, in the event of failure to satisfy the Class A/B Coverage Tests, must instead be used to pay principal on the Class A, after redemption in full thereof, to pay principal on the Class B Notes, to the extent necessary to cause the Class A/B Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes to the extent necessary to cause the Class C Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure to satisfy the Class C Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes, to the extent necessary to cause the Class C Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure of the Class D Coverage Tests, to pay principal on the Class A Notes and, after redemption in full thereof, principal on the Class B Notes and, after redemption in full thereof, principal on the Class C Notes and, after redemption in full thereof, principal on the Class D Notes and, after redemption in full thereof, principal on the Class E Notes, to the extent necessary to cause the Class E Coverage Tests to be satisfied if recalculated immediately following such redemption.

Each of the Class A/B Par Value Test, the Class A/B Interest Coverage Test, the Class C Par Value Test, the Class C Interest Coverage Test, the Class D Par Value Test the Class D Interest Coverage Test, the Class E Par Value Test and the Class E Interest Coverage Test, shall apply on a Determination Date (i) on and after the Effective Date in respect of the Par Value Tests and (ii) on and after the Determination Date immediately preceding the second Payment Date in the case of the Interest Coverage Test and shall be satisfied on a Determination Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value	133.9%
Class A/B Interest Coverage	120.0%
Class C Par Value	123.9%
Class C Interest Coverage	110.0%
Class D Par Value	118.2%
Class D Interest Coverage	105.0%

Class E Par Value	109.3%
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Class E Interest Coverage	102.0%
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## **DESCRIPTION OF THE COLLATERAL MANAGEMENT AGREEMENT**

### **General**

The Collateral Manager will perform certain investment management functions, including directing the purchase and sale of Collateral Debt Obligations and performing certain administrative functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management Agreement. The Collateral Manager agrees, and will be authorised, to (i) select the Collateral Debt Obligations to be acquired by the Issuer, (ii) monitor the portfolio of Collateral Debt Obligations on an ongoing basis and advise the Issuer as to which Collateral Debt Obligations to sell and which Collateral Debt Obligations to acquire and (iii) assist the Issuer in the preparation of reports, orders and other documents, in each case to the extent required pursuant to the Collateral Management Agreement.

The Collateral Management Agreement also permits the Collateral Manager, in its discretion, to engage on behalf of the Issuer in (a) cross transactions between the Issuer and another client of the Collateral Manager provided it has reasonable grounds to believe that any such cross transaction is justified from the perspective of the Issuer and is consistent with the Issuer's investment policies and (b) agency cross transactions effected through a broker-dealer affiliated with the Collateral Manager, in each case upon the terms and subject to the conditions set out in the Collateral Management Agreement.

The Collateral Management Agreement also permits the Collateral Manager to engage on behalf of the Issuer in principal transactions, subject to procedures developed by the Collateral Manager to address conflicts of interest. The Collateral Manager's current procedures regarding principal transactions require that it obtain, prior to effecting any principal transaction, the consent of the board of directors of the Issuer to such principal transaction. Those procedures require that the Collateral Manager disclose to the board of directors of the Issuer (i) the capacity in which it is acting; (ii) that the transaction is a purchase or sale for no consideration other than cash payment against prompt delivery of the Collateral Debt Obligation for which market quotations are readily available; (iii) that the transaction is effected at the independent current market price determined as follows (x) if the transaction is an interest in a bank loan traded in a dealer market, at the next price reported at the close of such market by an independent pricing service so long as the reliability of the prices provided by the pricing service have been found to be indicative of market value; and (y) for all other transactions, the average of at least two current independent bids determined on the basis of reasonable inquiry; (iv) that the transaction is consistent with the investment policies of the Issuer; and (v) that no brokerage commission or fee (except for customary transfer fees or other remuneration) will be paid in connection with the transaction.

Neither the Collateral Manager nor any Collateral Manager Related Person will be liable to the Issuer, the Trustee, the Noteholders or any other Person for any loss incurred as a result of the actions taken by or recommended by the Collateral Manager under the Collateral Management Agreement, except by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, wilful breach, gross negligence (as such concept is interpreted by the New York courts) or reckless disregard in the performance of its obligations thereunder. Subject to the above mentioned standard of conduct, the Collateral Manager, its shareholders, directors, officers, partners, members, managers, attorneys, advisors, agents, employees and each Collateral Manager Related Person will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, relating to the issuance of the Notes, the transactions contemplated thereby or the performance of the Collateral Manager's obligations under the Collateral Management Agreement, which will be payable in accordance with the Priority of Payments.

### **Resignation of the Collateral Manager**

The Collateral Manager may resign, upon 90 days' (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and each Rating Agency. Such resignation will not be effective until the date as of which a successor Collateral Manager has been appointed as described below.

## **Removal of the Collateral Manager**

The Collateral Manager may, following the occurrence of a Collateral Manager Event of Default pursuant to paragraph (i) to (vii) of the definition thereof, be removed by the Issuer upon 10 Business Days' prior written notice to the Collateral Manager, the Trustee, the Hedge Counterparties, and each Rating Agency at the direction of (i) the Controlling Class (acting by Extraordinary Resolution) or (ii) holders of the Subordinated Notes acting by Extraordinary Resolution (in each case, excluding (x) the holders of any CM Non-Voting Exchangeable Notes and CM Non-Voting Notes and (y) those Notes held by the Collateral Manager, the Sub-Manager or any of its Affiliates). Such removal and/or termination will not be effective until the date as of which a successor Collateral Manager has been appointed as described below.

Pursuant to the terms of the Collateral Management Agreement, if the Collateral Manager becomes aware that a Collateral Manager Event of Default has occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the Noteholders, the Hedge Counterparties and each Rating Agency upon the Collateral Manager becoming aware of the occurrence of such Collateral Manager Event of Default.

## **Termination of the Collateral Management Agreement**

The Collateral Management Agreement will automatically terminate upon the earliest to occur of (i) the payment in full of the Notes, in accordance with their terms, (ii) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Transaction Documents, and (iii) the determination in good faith by the Issuer that the Issuer or the Portfolio has become required to be registered under the Investment Company Act, and the Issuer notifies the Collateral Manager thereof.

## **Appointment of Successor**

Upon any removal or resignation of the Collateral Manager (except in the circumstances where it has become illegal for the Collateral Manager to carry on its duties under the Collateral Management Agreement), the Collateral Manager will continue to act in such capacity until the appointment by the Issuer, at the direction of the holders of the Subordinated Notes, acting by Ordinary Resolution (excluding any Subordinated Notes held by the Collateral Manager, the Sub-Manager or its Affiliates), of a successor manager meeting the Successor Criteria in accordance with the terms of the Collateral Management Agreement, provided that the Controlling Class, acting by Extraordinary Resolution (excluding the holders of any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and any Notes held by the Collateral Manager, the Sub-Manager or its Affiliates), does not object in writing to such successor within 45 days after receipt of notice of such nomination. If within three months following a notice of resignation or removal, no successor collateral manager has been appointed and accepted such appointment, then the holders of the Controlling Class, acting by Extraordinary Resolution (excluding the holders of any CM Non-Voting Exchangeable Notes and CM Non-Voting Notes and any Notes held by the Collateral Manager, the Sub-Manager or its Affiliates), may appoint a successor collateral manager and the Issuer shall appoint such successor provided it is acceptable to each Rating Agency and to the holders of the Subordinated Notes acting by Ordinary Resolution (excluding any Notes held by the Collateral Manager, the Sub-Manager or its Affiliates).

If within four months following a notice of resignation or removal, no successor collateral manager has been appointed and accepted such appointment, then the holders of the Subordinated Notes, acting by Ordinary Resolution (excluding any Subordinated Notes held by the Collateral Manager, the Sub-Manager or its Affiliates), may appoint a successor collateral manager and the Issuer shall appoint such successor provided it is acceptable to each Rating Agency and to the holders of the Controlling Class, acting by Extraordinary Resolution (excluding the holders of any CM Non-Voting Exchangeable Notes, CM Non-Voting Notes and any Notes held by the Collateral Manager, the Sub-Manager or its Affiliates).

If within five months following a notice of resignation or removal no successor collateral manager has been appointed and accepted such appointment, the Collateral Manager may make such appointment, which appointment shall be final. For the avoidance of doubt, no Notes held in the form of CM Non-Voting

Exchangeable Notes or CM Non-Voting Notes or held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates shall have any voting rights with respect to and shall not be counted for the purposes of determining a quorum and the results of voting on any CM Replacement Resolution or with respect to the selection or appointment of the successor Collateral Manager following a CM Removal Resolution.

Any successor Collateral Manager is required to be an established entity that satisfies the following criteria (collectively, the “**Successor Criteria**”):

- (a) has the ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement; and
- (b) is legally qualified and has the capacity to act as Collateral Manager under the Collateral Management Agreement.

### **Assignment**

The Collateral Manager may assign or transfer its rights and/or obligations under the Collateral Management Agreement subject to, and in accordance with, the Collateral Management Agreement. The Collateral Manager will provide notice to the Trustee (for forwarding to Noteholders and each Rating Agency) of any assignment or transfer of the Collateral Manager’s rights and/or obligations under the Collateral Management Agreement.

### **Fees and expenses**

As compensation for the performance of its obligations as Collateral Manager, the Collateral Manager will be entitled to receive a fee, which will be payable to the Collateral Manager in arrear on each Payment Date (pro-rated for the related Accrual Period), in an amount equal to the sum of (a) 0.20 % per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount for such Payment Date (exclusive of any value added tax) (the “**Senior Collateral Management Fee**”), (b) 0.30% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount for such Payment Date (exclusive of any value added tax) (the “**Subordinated Collateral Management Fee**”) and (c) after the Subordinated Notes have realised the Incentive Collateral Management Fee IRR Threshold, an amount equal to, as applicable on such Payment Date, the sum of 20% of any remaining Interest Proceeds distributable pursuant to clause (DD) of the Interest Proceeds Priority of Payments, 20% of any remaining Principal Proceeds distributable pursuant to clause (S) of the Principal Proceeds Priority of Payments and 20% of any remaining proceeds distributable pursuant to clause (AA) of the Post Acceleration Priority of Payments (such payments described in this paragraph (c), being exclusive of any value added tax thereon and collectively, the “**Incentive Collateral Management Fee**” and, together with the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, the “**Collateral Management Fee**”).

On any Payment Date, the Collateral Manager may, in its sole discretion, elect to defer any Senior Collateral Management Fees or Subordinated Collateral Management Fees. Any amounts so deferred shall be applied in accordance with the Priorities of Payments.

Any due and unpaid Collateral Management Fees (including Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts) will accrue interest (in arrear) for the period commencing on the Payment Date on which such amount was due to (but excluding) the Payment Date on which it is repaid in accordance with the Priorities of Payments at the EURIBOR rate applicable to the Rated Notes for each Accrual Period that such amount is unpaid. Such accrued and unpaid interest thereon will be payable on any subsequent Payment Date to the extent funds are available for such purpose in accordance with the Priorities of Payments.

The Collateral Manager may also, in its sole discretion, elect to designate the Senior Collateral Management Fee or the Subordinated Collateral Management Fee for reinvestment to be used to purchase substitute Collateral Debt Obligations, or to purchase Rated Notes in accordance with the Conditions (or to be deposited in the Principal Account pending such reinvestment or purchase in accordance with the Conditions).

If on any Payment Date there are insufficient funds to pay any amount in respect of the Collateral Management Fee in full, the amount not so paid will be deferred and will be payable on such later Payment Date on which funds are available therefor in accordance with the Priorities of Payments.

On the Issue Date, the Collateral Manager will be reimbursed by the Issuer for certain of its expenses incurred in connection with the offering of the Notes and the negotiation and documentation of the Transaction Documents, including the Collateral Management Agreement (including legal fees and expenses and any irrecoverable value added tax thereon).

### **No Voting Rights**

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

Any Class A Notes, Class B Notes, Class C Notes or Class D Notes held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates shall only be held in the form of CM Non-Voting Exchangeable Notes, or CM Non-Voting Notes.

Accordingly, any Notes (including any Class of Rated Notes and Subordinated Notes) held by or on behalf of the Collateral Manager, the Sub-Manager or its Affiliates shall have no voting rights with respect to, and shall not be counted for the purposes of determining a quorum and the results of, voting on any CM Removal Resolution or CM Replacement Resolution.

## **DESCRIPTION OF THE COLLATERAL SUB-MANAGEMENT AGREEMENT**

Pursuant to a collateral sub-management agreement (the “**Collateral Sub-Management Agreement**”) to be entered into on or about the Issue Date between the Issuer, Collateral Manager and CVC Credit Partners Investment Management Limited (the “**Sub-Manager**”) the Collateral Manager will delegate certain duties and obligations of the Collateral Manager under the collateral management agreement entered into on the Issue Date between, amongst others, the Issuer and the Collateral Manager (the “**Collateral Management Agreement**”) to the Sub-Manager, such delegated duties and obligations to be provided by the Sub-Manager to the Collateral Manager and not to the Issuer.

### **Fees**

The Sub-Manager shall be paid the Sub-Manager Services Fee by the Collateral Manager for performing the collateral management functions described herein.



## DESCRIPTION OF THE REPORTS

### Monthly Reports

The Collateral Administrator, not later than the fifteenth Business Day after the last Business Day of each month (save in respect of any month for which a Payment Date Report has been prepared) commencing in February 2015, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, the Sub-Manager, shall compile and make available a monthly report via a secured website currently located at <https://gctinvestorreporting.bnymellon.com> which shall be accessible to the Issuer, the Trustee, the Collateral Manager, the Sub-Manager, each Hedge Counterparty, the Liquidity Facility Provider and the Rating Agencies and to any holder of a beneficial interest in any Note 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 “**Monthly Report**”), which shall contain, without limitation, the information set out below with respect to the Portfolio, determined by the Collateral Administrator as at the last Business Day of each month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager.

### *Portfolio*

- (a) the Aggregate Principal Balance of the Collateral Debt Obligations and Eligible Investments representing Principal Proceeds;
- (b) the Aggregate Collateral Balance of the Collateral Debt Obligations;
- (c) the Adjusted Aggregate Collateral Balance of the Collateral Debt Obligations;
- (d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN or identification thereof, annual interest rate or spread (and with any EURIBOR floor, if any), facility, Collateral Debt Obligation Stated Maturity, Obligor, the Domicile of the Obligor, currency, Moody’s Recovery Rate, Moody’s Rating, Fitch Rating, Fitch Recovery Rate and any other public rating (other than any confidential credit estimate), its Moody’s industry category and Fitch industry category;
- (e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Debt Obligation, whether such Collateral Debt Obligation is a Senior Secured Loan, Senior Secured Bond Senior Unsecured Obligation, Second Lien Loan, Mezzanine Obligation or High Yield Bond, Fixed Rate Collateral Debt Obligation, Semi-Annual Obligation, Annual Obligation, Corporate Rescue Loan, PIK Obligation, Current Pay Obligation, Revolving Obligation, Delayed Drawdown Collateral Debt Obligation, Bridge Loan, Discount Obligation or a Deferring Security;
- (f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Debt Obligation and Exchanged Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Debt Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;
- (g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Debt Obligations, Collateral Enhancement Debt Obligations or Exchanged Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral Debt Obligations released for sale or other disposition at the Collateral Manager’s discretion (expressed as a percentage of the Adjusted Aggregate Collateral Balance and measured at the date of determination of the last Monthly Report) and the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager;

- (h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Debt Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Debt Obligation, Eligible Investment and Collateral Enhancement Debt Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;
- (i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral 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 and the identity and Principal Balance of each Moody's Caa Obligation, Fitch CCC Obligation and Current Pay Obligation;
- (j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Debt Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;
- (k) the Aggregate Principal Balance of Collateral Debt Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;
- (l) the approximate Market Value of, respectively, the Collateral Debt Obligations and the Collateral Enhancement Debt Obligations as provided by the Collateral Manager;
- (m) in respect of each Collateral Debt Obligation, its Moody's Rating and Fitch Rating (other than any confidential credit estimate) as at (i) the date of acquisition; (ii) the date of the previous Monthly Report; and (iii) the date of the current Monthly Report;
- (n) the Aggregate Principal Balance of Collateral Debt Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and
- (o) for so long as any Notes are rated by Fitch, the applicable point in the Fitch Test Matrix being applied for the purposes of the Collateral Quality Test.

#### ***Accounts***

- (a) the Balances standing to the credit of each of the Accounts;
- (b) the Fitch rating (if any) and Moody's Rating (if any) of any Eligible Investments;
- (c) the name of the Account Bank.

#### ***Incentive Collateral Management Fee***

- (a) the accrued Incentive Collateral Management Fee.

#### ***Hedge Transactions***

- (a) the outstanding notional amount of each Hedge Transaction and the current rate of EURIBOR;
- (b) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;
- (c) the then current Fitch rating and, if applicable, Moody's Rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements;
- (d) the name of the Hedge Counterparty; and
- (e) the maturity date, the strike price and the underlying currency notional amount of each currency option, the upfront premium paid or payable by the Issuer thereunder and, in relation to each currency option exercised, the date of exercise, the spot foreign exchange rate at the time of exercise, the notional amount of the

optional exercised, the aggregate notional amount of the option which remains unexercised and the aggregate premium received.

#### ***Coverage Tests and Collateral Quality Tests***

- (a) a statement as to whether each of the Class A/B Par Value Test, the Class C Par Value Test, the Class D Par Value Test and the Class E Par Value Test is satisfied and details of the relevant Par Value Ratios;
- (b) a statement as to whether each of the Class A/B Interest Coverage Test, the Class C Interest Coverage Test, the Class D Interest Coverage Test and the Class E Interest Coverage Test is satisfied and details of the relevant Interest Coverage Ratios;
- (c) from and after the Effective Date, a statement as to whether the Interest Diversion Test is satisfied;
- (d) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;
- (e) the Weighted Average Floating Spread (shown as (x) including and excluding any EURIBOR floor and (y) including and excluding the Aggregate Excess Funded Spread), a statement as to whether the Minimum Weighted Average Spread Test is satisfied and the amount of the Aggregate Excess Funded Spread;
- (f) the Minimum Weighted Average Coupon, the Weighted Average Coupon, the Excess Weighted Average Coupon, the Excess Weighted Average Floating Spread and a statement as to whether the Minimum Weighted Average Coupon Test is satisfied;
- (g) so long as any Notes rated by Moody's are Outstanding, the Adjusted Weighted Average Moody's Rating Factor and a statement as to whether the Moody's Maximum Weighted Average Rating Factor Test is satisfied;
- (h) so long as any Notes rated by Moody's are Outstanding, (i) the Weighted Average Moody's Recovery Rate and a statement as to whether the Moody's Minimum Weighted Average Recovery Rate Test is satisfied and (ii) subject to any confidentiality undertakings binding on the Issuer, with respect to each Collateral Debt Obligation, (A) the name of the Obligor; (B) the Moody's Default Probability Rating (if public); (C) the name of the Collateral Debt Obligation as documented in its Underlying Instrument (or, where it is not practicable to provide this information, such information shall, upon request from Moody's, be provided to Moody's in the event that Moody's is unable to map such name to its database); (D) the seniority of the Collateral Debt Obligation; (E) the Moody's Rating of the Collateral Debt Obligation (if public); and (F) the Moody's assigned recovery rate (if the relevant Collateral Debt Obligation has a Moody's Rating which is public);
- (i) so long as any Notes rated by Moody's are Outstanding, the Diversity Score and a statement as to whether the Moody's Minimum Diversity Test is satisfied;
- (j) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Maximum Weighted Average Rating Factor Test is satisfied (together with the values of such Fitch Maximum Weighted Average Rating Factor Test);
- (k) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Recovery Rate Test is satisfied (together with the values of such Fitch Minimum Weighted Average Recovery Rate Test);
- (l) a statement identifying any Collateral Debt Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests.

#### ***Portfolio Profile Tests***

- (a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied;

- (b) the identity and Fitch Rating and Moody's Rating of each Selling Institution, together with any changes in the identity of such entities since the date of determination of the last Monthly Report and details of the aggregate amount of Participations entered into with each such entity; and
- (c) a statement as to whether the limits specified in the Bivariate Risk Table are met by reference to the Fitch Ratings and Moody's Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non compliance.

### ***Risk Retention***

- (a) a copy of the confirmation from the Retention Holder that:
  - (i) it continues to hold not less than 5 per cent. of the nominal value of each Class of Notes; and
  - (ii) it has not sold, hedged or otherwise mitigated its credit risk under or associated with the Retention Notes or the underlying portfolio of Collateral Debt Obligations, except to the extent permitted in accordance with the Retention Requirements;
- (b) a statement as to whether the Retention Holder is the originator of the Required Percentage of all Collateral Debt Obligations acquired, or committed to be acquired, by the Retention Holder;
- (c) confirmation of any other information or agreements supplied by the Retention Holder as reasonably required to satisfy the Retention Requirements from time to time, subject to and in accordance with the Retention Letter.

### ***CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes***

In respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes:

- (a) the aggregate Principal Amount Outstanding of CM Voting Notes;
- (b) the aggregate Principal Amount Outstanding of CM Non-Voting Exchangeable Notes; and
- (c) the aggregate Principal Amount Outstanding of CM Non-Voting Notes.

### ***Payment Date Report***

The Collateral Administrator, on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall render an accounting report (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a secured website currently located at <https://gctinvestorreporting.bnymellon.com> which shall be accessible to the Collateral Manager, the Issuer, the Trustee, the Placement Agent, the Registrar, each Hedge Counterparty, the Liquidity Facility Provider, the Rating Agencies and any holder of a beneficial interest in any Note by way of a unique password (which, in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes) not later than the Business Day preceding the related Payment Date. Upon receipt of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

### ***Portfolio***

- (a) the Aggregate Principal Balance of the Collateral Debt Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Debt Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Debt Obligations during such Due Period and (B) the disposal of any Collateral Debt Obligations during such Due Period;

- (b) subject to any confidentiality obligations binding on the Issuer, a list of, respectively, the Collateral Debt Obligations and Collateral Enhancement Debt Obligations indicating the Principal Balance and Obligor of each; and
- (c) the information required pursuant to “Monthly Reports - Portfolio” above.

***Notes***

- (a) the Principal Amount Outstanding of the Notes of each Class and such aggregate amount as a percentage of the original aggregate Principal Amount Outstanding of the Notes of such Class at the beginning of the Accrual Period, the amount of principal payments to be made on the Notes of each Class on the related Payment Date, and the aggregate amount of the Notes of each Class Outstanding and such aggregate amount as a percentage of the original aggregate amount of the Notes of such Class Outstanding after giving effect to the principal payments, if any, on the next Payment Date;
- (b) the interest payable in respect of each Class of Notes (as applicable), including the amount of any Deferred Interest payable on the related Payment Date (in the aggregate and by Class);
- (c) the Interest Amount payable in respect of each Class of Notes on the next Payment Date; and
- (d) EURIBOR for the related Due Period and the Floating Rate of Interest applicable to each Class of Rated Notes during the related Due Period.

***Payment Date Payments***

- (a) the amounts payable pursuant to the Interest Proceeds Priority of Payments, the Principal Proceeds Priority of Payments and the Post-Acceleration Priority of Payments;
- (b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and
- (c) any Asset Swap Termination Payments, any Interest Rate Hedge Termination Payments and any Defaulted Hedge Termination Payments.

***Accounts***

- (a) the Balance standing to the credit of the Interest Account at the end of the related Due Period;
- (b) the Balance standing to the credit of the Principal Account at the end of the related Due Period;
- (c) the Balance standing to the credit of the Interest Account immediately after all payments and deposits to be made on the next Payment Date;
- (d) the Balance standing to the credit of the Principal Account immediately after all payments and deposits to be made on the next Payment Date;
- (e) the amounts payable from the Interest Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;
- (f) the amounts payable from the Principal Account through a transfer to the Payment Account pursuant to the Priorities of Payments on such Payment Date;
- (g) the amounts payable from any other Accounts (through a transfer to the Payment Account) pursuant to the Priorities of Payments on such Payment Date, together with details of whether such amounts constitute Interest Proceeds or Principal Proceeds;
- (h) the Balance standing to the credit of each of the other Accounts at the end of the related Due Period;
- (i) the Principal Proceeds received during the related Due Period;

- (j) the Interest Proceeds received during the related Due Period; and
- (k) the Collateral Enhancement Debt Obligation Proceeds received during the related Due Period.

***Coverage Tests, Collateral Quality Tests and Portfolio Profile Tests***

- (a) the information required pursuant to “Monthly Reports - Coverage Tests and Collateral Quality Tests” above and information on each item included under the definition of Interest Coverage Amount; and
- (b) the information required pursuant to “Monthly Reports - Portfolio Profile Tests” above.

***Hedge Transactions***

- (a) The information required pursuant to “Monthly Reports - Hedge Transactions” above.

***Risk Retention***

- (a) The information required pursuant to “Monthly Reports - Risk Retention” above.

***CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes***

The information required pursuant to “Monthly Reports - CM Voting Notes / CM Non-Voting Exchangeable Notes / CM Non-Voting Notes” above.

***Miscellaneous***

Each Report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

Each Monthly Report and Payment Date Report will be made available via the Collateral Administrator’s website currently located at <https://gctinvestorreporting.bnymellon.com>. It is not intended that such Reports will be made available in any other format, save in limited circumstances with the Collateral Administrator’s agreement. The Collateral Administrator’s website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access such website may be required to certify that they are Noteholders or otherwise entitled to access such website.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator, in order for the Issuer to satisfy its obligation to make certain filings of information with the Central Bank of Ireland and in respect of the preparation of its financial statements and tax returns.

## DESCRIPTION OF THE LIQUIDITY FACILITY AGREEMENT

### Liquidity Facility Agreement

#### Commitment

The maximum amount of the facility (the “**Liquidity Facility**”) under the Liquidity Facility Agreement will be an amount equal to €3,000,000, subject to reduction or cancellation in accordance with the terms of the Liquidity Facility Agreement (the “**Commitment**”).

The Issuer, the Trustee, the Collateral Administrator, the Collateral Manager and The Bank of New York Mellon, as a liquidity facility provider (the “**Liquidity Facility Provider**”), will enter into a liquidity facility agreement (the “**Liquidity Facility Agreement**”) to be dated on or about the Issue Date.

#### Purposes

For the period (the “**Liquidity Facility Commitment Period**”) from (and including) the Issue Date to (but excluding) the earliest of (a) on the Business Day that is immediately preceding the date that is four years and five months from the Issue Date, subject to renewal for one or two additional one year periods at the Liquidity Facility Provider’s sole and absolute discretion (provided Rating Agency Confirmation is obtained in respect of such renewal); (b) the date on which the Liquidity Facility is cancelled in its entirety in accordance with its terms; or (c) the date on which the Rated Notes are redeemed in full or, in each case, if such day is not a Business Day, the Business Day immediately prior to such day (the “**Liquidity Facility Commitment Period End Date**”), the Issuer will, subject to satisfaction of certain conditions, be entitled to draw under the Liquidity Facility Agreement funds for the payment of any shortfall in the amount available to pay amounts due and payable in accordance with paragraphs (A) through (DD) (inclusive) (other than amounts payable to the Liquidity Facility Provider pursuant to paragraph (E)) of the Interest Proceeds Priority of Payments on any Drawdown Date that is a Payment Date or to the extent requested, the refinancing of any Initial Drawdown (or any refinancing thereof), and not for any other purpose provided that the maximum aggregate amount which may be drawn down for such purposes on any Drawdown Date shall not exceed the applicable amounts referred to below under “*Drawings and Repayments*”.

#### Drawings and Repayments

Subject to the satisfaction of certain conditions, Initial Drawdowns or Subsequent Drawdowns (as each as defined in the Conditions) may be made under the Liquidity Facility Agreement for the purpose of payment of any shortfall in the amounts available to pay amounts due and payable pursuant to the Priorities of Payment on any Payment Date by no later than (i) in the case of Initial Drawdowns, four Business Days’ notice but no more than seven Business Days’ notice and (ii) in the case of Subsequent Drawdowns, two Business Days’ notice but no more than seven Business Days’ notice. Initial Drawdowns are subject to a limit equal to the lesser of (a) the Available Commitment (taking into account any Liquidity Drawings scheduled to be repaid on or prior to the proposed Drawdown Date on the day such Liquidity Drawing is to be made and subject to the Collateral Administrator confirming that there will be sufficient amounts available in the Interest Account to make repayment of such Liquidity Drawings in full on the Payment Date following the Drawdown Date) and (b) any shortfall in the amount of Interest Proceeds available to pay amounts due and payable in accordance with paragraphs (A) through (DD) (where the amount payable pursuant to item (DD) of the Interest Proceeds Priority of Payments on such date shall, for the purposes of determining a “Liquidity Shortfall” only, be equal to the remaining Available Commitment assuming a utilisation of the Liquidity Facility in respect of all amounts payable pursuant to items (A) through (CC) (inclusive) of the Interest Proceeds Priority of Payments on such date) (inclusive) (other than amounts payable to the Liquidity Facility Provider pursuant to (E)) of the Interest Proceeds Priority of Payments that are due and payable on such Payment Date, but only in an amount not exceeding the Accrued Collateral Debt Obligation Interest in respect of such Payment Date.

Liquidity Drawings shall be subject to the following conditions precedent:

- (a) the Class A Notes not having been redeemed in full and not being scheduled to be redeemed in full on the immediately following Payment Date (as determined by reference to the circumstances existing on such date of determination);
- (b) on both the date on which such Liquidity Drawing is requested and on the relevant Drawdown Date, no Note Event of Default or Liquidity Facility Event of Default is outstanding or would result from the provision of such Liquidity Drawing;
- (c) in relation to an Initial Drawdown only, in respect of a shortfall in the amount of Interest Proceeds available to pay amounts due and payable in respect of any paragraph of the Interest Proceeds Priority of Payments, each applicable Coverage Test senior to the payment of the amounts payable in respect of that paragraph is satisfied on the relevant Determination Date;
- (d) payment in full of any prior Liquidity Drawing;
- (e) on both the date on which such Liquidity Drawing is requested and on the relevant Drawdown Date, all representations and warranties made under the Liquidity Facility Agreement are true and accurate in all material respects.

Each Initial Drawdown shall have an interest period commencing on, with respect to each Initial Drawdown, the relevant Drawdown Date and ending on the earlier of (i) the Early Repayment Date (as defined in the below) and (ii) the Payment Date following the Drawdown Date in respect of such Liquidity Drawing subject in the case of any Subsequent Drawdown to the provisions of the Liquidity Facility Agreement (the “**Repayment Date**”).

Pursuant to the Liquidity Facility Agreement, the Issuer or the Collateral Manager on behalf of the Issuer, may redraw one or more times, as applicable, an amount thereunder to refinance (in whole or in part) any such Initial Drawdown at any time after the Drawdown Date of the related Initial Drawdown.

Each Subsequent Drawdown may be drawn on two Business Days’ written notice prior to the relevant Repayment Date and shall not exceed the lesser of:

- (a) the Commitment on the day such Liquidity Drawing is to be made; and
- (b) the amount of the Initial Drawdown (or the Subsequent Drawdown, as applicable) which such Subsequent Drawdown is refinancing.

The Issuer shall be required to repay all Liquidity Drawings outstanding under the Liquidity Facility Agreement and the Available Commitment shall automatically be cancelled in full, on the earlier to occur of (a) final redemption of the Notes (other than as a result of a Note Event of Default); (b) the occurrence of a Note Event of Default or the Liquidity Facility is accelerated in accordance with the Liquidity Facility Agreement following the occurrence of an event of default under the Liquidity Facility Agreement; (c) the Moody’s rating assigned to the Class A Notes (or the Class B Notes if the Class A Notes are no longer Outstanding) is below “Ba2” or the Fitch rating assigned to the Class A Notes (or the Class B Notes if the Class A Notes are no longer Outstanding) is below “BB” (a “**Note Downgrade Event**”) and (d) the Payment Date next following the last day of the Liquidity Facility Commitment Period.

Liquidity Drawings (to the extent not refinanced under a Subsequent Drawdown) shall otherwise be repaid on the Payment Date following the Drawdown Date in respect of such Liquidity Drawing, or (if applicable) the Issuer (or the Collateral Manager in its discretion on behalf of the Issuer) may to the extent permissible in accordance with the Conditions, repay any Liquidity Drawing on a date (the “**Early Repayment Date**”) earlier than the Payment Date following the applicable Drawdown Date (subject to the terms of the Liquidity Facility Agreement), to the extent that there are sufficient Interest Proceeds and/or Principal Proceeds pursuant to the Interest Proceeds Priority of Payments and/or Principal Proceeds Priority of Payments and/or Post-Acceleration Priority of Payments to pay such amounts (taking into account all such amounts due and payable in priority thereto had such Liquidity Drawings been repaid on the next Payment Date), provided that any failure to repay any Liquidity Drawing due to there being insufficient Interest Proceeds or Principal Proceeds shall not constitute an event of default under the Liquidity Facility Agreement.



## Renewal of initial Liquidity Facility Commitment Period

The Issuer or the Collateral Manager on behalf of the Issuer (copied in each case to the Trustee and the Collateral Administrator) may deliver, not more than 30 nor fewer than 15 days before the expiry of the Liquidity Facility Commitment Period, an irrevocable request that the Liquidity Facility Commitment Period be renewed (the “**Initial Renewal Request**”) to the Payment Date falling immediately before the fifth anniversary of the Issue Date. If the Liquidity Facility Provider in its sole and absolute discretion accepts the Initial Renewal Request, the Issuer or the Collateral Manager on its behalf may deliver, not more than 30 nor fewer than 15 days before the expiry of the Liquidity Facility Commitment Period (as extended), an irrevocable request that the Liquidity Facility Commitment Period (as extended) be renewed (the “**Subsequent Renewal Request**” and, together with the Initial Renewal Request, the “**Renewal Requests**”) to the Payment Date falling immediately before the sixth anniversary of the Issue Date.

If the Liquidity Facility Provider in its sole and absolute discretion wishes to accept such a request to extend the Liquidity Facility Commitment Period, it shall, not later than 10 days before expiry of the Liquidity Facility Commitment Period, deliver to the Issuer (copied to the Trustee, the Collateral Manager and the Collateral Administrator) an irrevocable notice that it has consented to the request contained in the Renewal Request. The Issuer or the Collateral Manager on behalf of the Issuer shall, as soon as practicable upon receipt of notice that the Liquidity Facility Provider has consented to the request contained in the Renewal Request, notify the renewal of the Liquidity Facility to the Rating Agencies.

## Prefunded Commitment

If, on any day the Liquidity Facility Provider does not meet the Rating Requirement, the Available Commitment may be utilised and drawn down no later than the 14<sup>th</sup> calendar day following a date on which the Liquidity Facility Provider no longer meets the Rating Requirement (such drawing, a “**Prefunded Commitment Utilisation**”) by delivery to the Liquidity Facility Provider (copied to the Collateral Administrator and the Trustee) by the Issuer or the Collateral Manager, acting on its behalf, of a duly completed prefunded commitment request (the “**Prefunded Commitment Request**”) on at least seven Business Days’ notice if the downgraded Liquidity Facility Provider has not transferred all of its rights and obligations to a new Liquidity Facility Provider in accordance with the terms of the Liquidity Facility Agreement.

Each Prefunded Commitment Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) the proposed Prefunded Commitment Date (as defined in the Liquidity Facility Agreement) is a Business Day within the Liquidity Facility Commitment Period; and
- (b) the amount of the Prefunded Commitment Utilisation is equal to the Available Commitment at the date of such Prefunded Commitment Request.

The Liquidity Facility Provider shall advance the required amount to the Issuer through its facility office on the Prefunded Commitment Date specified in the Prefunded Commitment Request and upon making a Prefunded Commitment Utilisation the Issuer shall forthwith credit the amount received to the Prefunded Commitment Account.

The Issuer shall have full legal and beneficial title to the amounts from time to time standing to the credit of the Prefunded Commitment Account subject to the right of the Liquidity Facility Provider to be repaid amounts standing to the credit of the Prefunded Commitment Account in accordance with the Liquidity Facility Agreement. Without prejudice thereto, the Issuer shall only make withdrawals from the Prefunded Commitment Account in accordance with Condition 3(j)(xiv) (*Prefunded Commitment Account*) to the extent that it would be permitted to make a Liquidity Drawing in accordance with the Liquidity Facility Agreement, and the amount of a Liquidity Facility Provider's Prefunded Commitment shall be reduced by the amount of such withdrawals and any such withdrawal shall be deemed to be a Liquidity Drawing.

Any Prefunded Commitment (or part thereof) shall be repaid to the Liquidity Facility Provider together with accrued interest thereon as follows:

- (a) on the earlier of the date on which all moneys and other liabilities due or owing by the Issuer in accordance with the Trust Deed have been repaid in full and the final day of the Liquidity Facility Commitment Period;
- (b) on the Payment Date on which the Rated Notes are redeemed in full;
- (c) on the day when the amounts outstanding under the Liquidity Facility become accelerated and repayable in full;
- (d) where a Prefunded Commitment Request was delivered or deemed to have been given due to a downgrade of rating of the Liquidity Facility Provider, on the first Business Day after the Liquidity Facility Provider has given notice to the Issuer, the Trustee, the Collateral Administrator and the Collateral Manager that the Liquidity Facility Provider either satisfies the Rating Requirement or has transferred its rights and obligations to a replacement liquidity facility provider in accordance with the Liquidity Facility Agreement;
- (e) where a Prefunded Commitment Request was delivered or deemed to have been given due to a downgrade of rating of the Liquidity Facility Provider, on the first Business Day after the Liquidity Facility Provider has caused an entity meeting the Rating Requirement to guarantee or provide a letter of credit or an indemnity in respect of its obligations in full and Rating Agency Confirmation has been obtained in respect of that entity; and
- (f) on any day on which the Commitment for the Liquidity Facility Provider is reduced, cancelled or transferred, in an amount equal to the proportion of such Commitment so reduced, cancelled or transferred.

### **Interest on Drawings and Available Commitment**

A commitment fee during the Liquidity Facility Commitment Period shall be payable by the Issuer equal to a rate of 0.75 per cent. per annum on an amount equal to the Available Commitment accruing on each day during the Liquidity Facility Commitment Period.

Accrued and unpaid commitment fee on the Available Commitment shall be payable by the Issuer in arrear on each Payment Date to the extent that there are sufficient Interest Proceeds and, if required, Principal Proceeds or the net proceeds of enforcement of the security over the Collateral, available for payment thereof in accordance with the Priorities of Payments or at any time in accordance with the provisions of the Liquidity Facility Agreement. Any accrued commitment fee is also payable to the Liquidity Facility Provider on the cancelled amount of the Commitment at and up to the time the cancellation takes effect.

The rate of interest on each loan made or to be made under the Liquidity Facility or deemed to be made under the Liquidity Facility (including any Initial Drawdown and/or Subsequent Drawdown) for each interest period is the rate per annum determined by the Liquidity Facility Provider to be the aggregate of (a) 2.50 per cent. per annum; and (b) EURIBOR for the relevant interest period. Accrued interest on any Liquidity Drawing shall be payable on the Repayment Date in respect of such Liquidity Drawing and shall be calculated on the basis of a 360 day year for the actual number of days elapsed.

The interest on the Prefunded Commitment (which has not become a Liquidity Drawing or a deemed Liquidity Drawing) payable in arrear on each Payment Date is the aggregate of the day to day interest applicable in each case earned on the amount of the Prefunded Commitment standing to the credit of the Prefunded Commitment Account which is received by the Issuer.

### **Arrangement Fee**

An arrangement fee will be payable by the Issuer on the Issue Date to the Liquidity Facility Provider in the amount of €15,000. Provided that the Liquidity Facility Provider has provided an invoice for such amount to the Issuer two Business Days prior to the Issue Date, it will be a condition precedent to any Initial Drawdown that the arrangement fee has been paid by the Issuer.

## **Priority of Amounts Due to the Liquidity Facility Provider under the Liquidity Facility Agreement**

Pursuant to the Interest Proceeds Priority of Payments and/or the Principal Proceeds Priority of Payments and/or the Post-Acceleration Priority of Payments, interest and commitment fees due and payable under the Liquidity Facility, together with the repayment of Liquidity Drawings will rank senior prior to all amounts payable in respect of the Notes. All other amounts payable under the Liquidity Facility such as expenses, increased costs and indemnification amounts will constitute Administrative Expenses and as such will be payable prior to payment of any amounts in respect of the Notes but only to the extent that such amounts do not exceed the Senior Expenses Cap applicable to the relevant Payment Date (except to the extent that a Note Event of Default is continuing). All amounts payable in excess of such cap will be payable after payment of amongst other things (i) amounts payable in the event of an Effective Date Rating Event, (ii) amounts payable to the Principal Account for reinvestment or in redemption of the Notes upon breach of the Interest Diversion Test and (iii) Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap.

## **Cancellation**

The Commitment may only be cancelled by the Liquidity Facility Provider (in whole or in part) on or at any time (a) after the occurrence of an event of default under the Liquidity Facility Agreement (a “**Liquidity Facility Event of Default**”) upon notice from the Liquidity Facility Provider to the Issuer. A Liquidity Facility Event of Default occurs if (i) the Issuer fails to pay any amount due under the Liquidity Facility Agreement on its due date provided that where any non-payment is a result of an administrative error or omission, such failure continues for a period of at least seven Business Days after the Collateral Manager or the Issuer receives written notice of, or has actual knowledge of, the administrative error or omission and as at the date on which such unpaid amount was due and payable, the Available Commitment was equal to zero; (ii) the Notes are accelerated in accordance with Condition 10(b) (*Acceleration*); (iii) it becomes unlawful for the Issuer to perform any of its obligations under the Liquidity Facility Agreement; (iv) the Issuer becomes subject to insolvency proceedings; or (v) the Liquidity Facility Agreement is not or ceases to be in full force and effect and legal, valid, binding and enforceable or (b) it becomes unlawful for the Liquidity Facility Provider to give effect to any of its obligations as contemplated by the Liquidity Facility Agreement or fund or maintain any Liquidity Drawing, provided that prior to any such cancellation under paragraph (b), the Liquidity Facility Provider is obligated pursuant to the Liquidity Facility Agreement to notify the Issuer accordingly (with such notices copied to the Collateral Manager, the Trustee and the Collateral Administrator).

Notwithstanding any such cancellations by the Liquidity Facility Provider, the repayment or prepayment of any existing Liquidity Drawings and interest thereon shall not be made until the following Payment Date.

The Available Commitment (including any Prefunded Commitment) may be cancelled at the option of the Issuer in whole or in part at any time upon no less than five Business Days’ notice from the Issuer (or the Collateral Manager on its behalf) to the Liquidity Facility Provider (copied to the Trustee, the Collateral Administrator and to the Rating Agencies), provided that a Rating Agency Confirmation is received from each of the Rating Agencies then rating the Rated Notes in respect thereof. No requests for Liquidity Drawings or, as the case may be, withdrawals from the Prefunded Commitment Account purporting to draw all or any part of the amount the subject of such notice of such cancellation may be made during such five Business Day notice period.

The Issuer may, without premium or penalty but subject to payment of accrued interest and Break Costs (as such term is defined in the Liquidity Facility Agreement), by notice to the Liquidity Facility Provider, cancel the whole of the Commitment at any time notice is given to the Noteholders in respect of the final redemption of the Notes pursuant to Condition 7(a) (*Final Redemption*) or if no such notice is forthcoming, on such redemption.

The Commitment may be cancelled in whole but not in part at the option of the Issuer but subject to payment of accrued interest and Break Costs (as such term is defined in the Liquidity Facility Agreement) without consent of any party at any time upon no less than five Business Days’ notice from the Issuer (or the Collateral Manager on its behalf) to the Liquidity Facility Provider (copied to the Trustee, the Collateral Administrator and to the Rating Agencies) if, pursuant to the Liquidity Facility Agreement, the Issuer is required to pay any additional amounts to

the Liquidity Facility Provider in respect of the Liquidity Facility Provider's tax liabilities or any amounts to the Liquidity Facility Provider in respect of the Liquidity Facility Provider's increased costs. No Rating Agency Confirmation shall be required in respect of such cancellation.

The Available Commitment will be automatically cancelled in full at close of business on the Liquidity Facility Commitment Period End Date provided a Liquidity Drawing may be made on the Liquidity Facility Commitment Period End Date (other than when the Liquidity Facility has been cancelled in its entirety in accordance with the Liquidity Facility Agreement). Notwithstanding any such cancellation, any outstanding Liquidity Drawings and accrued interest thereon shall continue to be repayable in accordance with the terms of the Liquidity Facility Agreement.

### **Cancellation Timing**

Notwithstanding the delivery of any notice requesting a voluntary cancellation of the Commitment in accordance with the Liquidity Facility Agreement, no cancellation of the Commitment in whole pursuant thereto shall take effect until the following Payment Date.

### **Assignment**

The Liquidity Facility Provider may transfer its interest under the Liquidity Facility Agreement provided the transferee is a financial institution meeting the Rating Requirement and certain conditions set out in the Liquidity Facility Agreement, and the prior consent of the Issuer, Collateral Manager and the Trustee is obtained. The prior consent of the Issuer must not be unreasonably withheld or delayed and will be deemed to have been given if, within ten Business Days of receipt by the Issuer of a request for consent, it has not been expressly refused. No such consent is required from the Issuer if a Liquidity Facility Event of Default or a Note Event of Default has occurred and is continuing, or the proposed assignment, transfer of novation is to an Affiliate of the Liquidity Facility Provider.

### **Replacement and Additional Liquidity Facilities**

Under the Liquidity Facility Agreement the Issuer will covenant not to enter into additional liquidity facility arrangements at any time prior to the Liquidity Facility Commitment Period End Date.

If a Replacement Liquidity Facility is to be entered into on or following the Liquidity Facility Commitment Period End Date, it must be a condition of such Replacement Liquidity Facility that any outstanding Liquidity Drawings with the existing Liquidity Facility Provider will be repaid in full.

## HEDGING ARRANGEMENTS

The following is a summary of the principal terms of the hedging arrangements to be entered into by the Issuer on or about the Issue Date and thereafter. The following is a summary only and should not be relied upon as an exhaustive description of the detailed provisions of such documents (copies of which are available from the registered office of the Issuer). Any Hedge Agreement may include additional or different terms to those described below.

### 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 Collateral 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 Collateral 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 Collateral 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”).

### Form Approved Hedge Agreements

The Issuer or the Collateral Manager acting on its behalf, shall provide at least 2 Business Days’ prior written notification to each Rating Agency then rating any Class of Notes each time it enters into a Hedge Transaction in the form of a Form Approved Asset Swap or Form Approved Interest Rate Hedge.

“**Form Approved Asset Swap**” means an Asset Swap Transaction and the related Asset Swap Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the name and financial aspects of the related Collateral Debt Obligation, the notional amount, the effective date, the termination date and any other consequential amendments in respect thereof required to reflect the relevant Collateral Debt Obligation) to a form approved by the Rating Agencies from time to time provided that any form approved by the Rating Agencies prior to the Issue Date shall, unless otherwise notified to the Issuer by a Rating Agency, constitute a Form Approved Asset Swap.

“**Form Approved Interest Rate Hedge**” means an Interest Rate Hedge Transaction and the related Interest Rate Hedge Agreement, the documentation for and structure of which conforms (save for the amount and timing of periodic payments, the applicable floating rate index, the notional amount, the effective date, the termination date and any other consequential amendments in respect thereof required to reflect the relevant Collateral Debt Obligation) to a form approved by the Rating Agencies from time to time provided that any form approved by the Rating Agencies prior to the Issue Date shall, unless otherwise notified to the Issuer by a Rating Agency, constitute a Form Approved Interest Rate Hedge.

### Currency Hedging Arrangements

#### *Asset Swap Agreements*

The Issuer (or the Collateral Manager on behalf of the Issuer) may purchase Non-Euro Obligations provided that the Collateral Manager, on behalf of the Issuer, for any Non-Euro Obligation, enters into an Asset Swap Transaction with an Asset Swap Counterparty no later than (i) if such Non-Euro Obligation is denominated in a Qualifying Unhedged Obligation Currency and acquired in the Primary Market, within 90 days of the settlement date of acquisition thereof and otherwise (ii) not later than the settlement date thereof, pursuant to the terms of which the initial principal exchange is made in connection with funding 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, respectively and coupon exchanges are made at the exchange rate specified for such transaction.

Transactions entered into under an Asset Swap Agreement are documented in confirmations to such Asset Swap Agreement. Each transaction will be evidenced by a confirmation entered into pursuant to an 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 thereof.

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 Payments from the Non-Euro Hedge Account) and returning the Sale Proceeds (in accordance with paragraph (ii) of the definition thereof) to the Issuer or (ii) the Issuer retaining the proceeds of sale of the Asset Swap Obligation (which shall be converted into Euro and paid into the Principal Account in accordance with the Conditions) net of any payments due to the Asset Swap Counterparty in connection with the termination of the Asset Swap Transaction in such circumstances (which the Issuer shall pay to the Asset Swap Counterparty on the date such payment is due in accordance with the applicable Hedge Agreement). Furthermore, upon the insolvency of the Issuer and/or the acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Hedge Counterparty may, but shall not be obliged to, early terminate any Asset Swap Transaction, in which case any Asset Swap Termination Payment would be paid in accordance with the Post-Acceleration Priority of Payments (other than with respect to any Counterparty Downgrade Collateral which is required to be returned to an Asset Swap Counterparty outside the Priorities of Payments in accordance with the Asset Swap Agreement).

If, following the insolvency of the Issuer and/or the acceleration of the Notes, the Hedge Counterparty, elects not to early 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, resulting in the Asset Swap counterparty receiving the proceeds of the sale of the Asset Swap Obligation from the Issuer and returning the Sale Proceeds (in accordance with paragraph (ii) of the definition thereof) to the Issuer. 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.

### ***Replacement Asset Swap Transactions***

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 Collateral Manager on its behalf, shall use commercially reasonable efforts to enter into a Replacement Asset Swap Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies, among other things, the applicable Rating Requirement.

In the event of termination of an Asset Swap Transaction in the circumstances referred to above, any Asset Swap Termination Receipt will be paid into the relevant Hedge Termination Account and shall be applied towards the costs of entry into a Replacement Asset Swap Transaction, together with, where necessary, Interest Proceeds and/or Principal Proceeds that are available for such purpose on any Payment Date pursuant to the Priorities of Payments, subject to receipt of Rating Agency Confirmation, save:

- (a) where the Issuer or the Collateral 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 a Redemption Date pursuant to Conditions 7(a) (*Final Redemption*), 7(b) (*Optional Redemption*) (other than in connection with a Refinancing), 7(g) (*Redemption following Note Tax Event*) or 10(a) (*Note Events of Default*); or

- (c) to the extent that such Asset Swap Termination Receipt is not required for application towards any Asset Swap Replacement Payment,

in which event such Asset Swap Termination Receipt shall be paid into the Principal Account and shall constitute Unscheduled Principal Proceeds.

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 relevant Hedge Termination Account and applied directly by the Collateral Administrator acting on the instructions of the Collateral Manager (acting on behalf of the Issuer) in payment of any Asset Swap 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 Termination Payment payable by the Issuer shall be paid to the applicable Asset Swap Counterparty on the next Payment Date in accordance with the Priorities of Payments. To the extent not required for making any such Asset Swap Termination Payment, such Asset Swap Replacement Receipts shall be paid into the Principal Account and shall constitute Unscheduled Principal Proceeds.

Subject to sub-paragraph (a) above, in the event that a Replacement Asset Swap Transaction cannot be entered into in such circumstances, the Collateral 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 direct the Collateral Administrator to convert all of such proceeds into Euro at the Applicable Exchange Rate 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 Termination Payments in full, such amount, including any Defaulted Hedge Termination Payment, shall be paid out of Interest Proceeds and/or Principal Proceeds on the next following Payment Date in accordance with the Priorities of Payments.

## **Interest Rate Hedging Arrangements**

### ***Interest Rate Hedge Agreements***

The Issuer (or the Collateral Manager on its behalf) may enter into any additional Interest Rate Hedge Transactions from time to time in order to hedge any interest rate mismatch between the Notes (other than the Subordinated Notes) and the Collateral Debt Obligations, subject to the receipt of Rating Agency Confirmation in respect thereof and provided that the Interest Rate Hedge Counterparty satisfies the applicable Rating Requirement.

### ***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 Collateral 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.

### ***Hedge Agreement Eligibility Criteria***

The Collateral Manager shall only cause the Issuer to enter into a Hedge Agreement that (i) at the time such Hedge Agreement is entered into, satisfy the Hedge Agreement Eligibility Criteria; or (ii) in respect of which, the Issuer obtains legal advice of reputable legal counsel that such Hedge Agreement will not cause the Issuer or Collateral Manager to be required to register as a CPO with the CFTC with respect to the Issuer.

If a responsible representative of the Collateral Manager with knowledge of the Portfolio has actual knowledge of any change in law or regulation that would lead him or her to reasonably question the viability of the Hedge Agreement Eligibility Criteria mentioned above, the Collateral Manager shall cause the Issuer to seek written legal advice in respect of such Hedge Agreement Eligibility Criteria. If the Collateral Manager cannot obtain such advice it shall not cause the Issuer to enter into any further Hedge Agreements unless in respect of any such further

Hedge Agreement it obtains written legal advice of reputable legal counsel that such Hedge Agreement will not cause the Issuer or Collateral Manager to be required to register as a CPO with the CFTC with respect to the Issuer.

Notwithstanding anything in the Collateral Management Agreement or the Trust Deed to the contrary, the Collateral Manager may unilaterally elect to modify the Hedge Agreement Eligibility Criteria without the consent of any other party so long as it causes the Issuer to obtain an opinion from reputable legal counsel that Hedge Agreements entered into in compliance with such modified Hedge Agreement Eligibility Criteria will not cause the Issuer or Collateral Manager to be required to register as a CPO with the CFTC with respect to the Issuer.

Notwithstanding the above, if, in the reasonable opinion of the Collateral Manager, entry into a Hedge Agreement would require registration of the Collateral Manager as a Commodity Pool, the Issuer will not be permitted to enter into such Hedge Agreement unless such registration is made by the Collateral Manager with respect to, and at the expense of, 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 neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a “Tax Event” which is a “Termination Event” for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant “Affected Party” (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction or if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

#### ***Limited Recourse and Non-Petition***

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of Payments set out in Condition 3(c) (*Priorities of Payments*). The Issuer will have the benefit of non-petition language similar to the language set out in Condition 4(c) (*Limited Recourse and Non-Petition*).

#### ***Termination Provisions***

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the occurrence of a number of events (which may include 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 the applicable grace period;
- (c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;



- (d) 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;
- (g) representations related to certain regulatory matters prove to be incorrect when made, if the Issuer becomes subject to AIFMD, or if the Issuer or the Collateral Manager is required to register as a “commodity pool operator” and such party does not so register pursuant to the United States Commodity Exchange Act of 1936, as amended and certain representations relating to EMIR;
- (h) other regulatory changes occur which have a material adverse effect on a Hedge Counterparty; and
- (i) material 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 Collateral Manager acting on its behalf) may need to sell the related Non-Euro Obligation unless a new Asset Swap Transaction can be entered into.

### ***Rating Downgrade Requirements***

Each Hedge Agreement shall contain the terms and provisions required by the Rating Agencies for the type of derivative transaction described in this Prospectus 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 take other actions subject to Rating Agency Confirmation.

### ***Transfer and Modification***

The Collateral Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved 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.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

### ***Governing Law***

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

## **Reporting of Specified Hedging Data**

The Collateral Manager, on behalf of the Issuer, may from time to time enter into agreements (each a “**Reporting Delegation Agreement**”) 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**”).

## TAX CONSIDERATIONS

### 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.

### Irish Taxation

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

### *Tax Residency*

The Issuer is incorporated in Ireland. The Issuer will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the directors of the Issuer will conduct the affairs of the Issuer in a manner that will allow for this.

### *Withholding Tax*

In general, tax at the standard rate of income tax (currently 20%), is required to be withheld from payments of Irish source interest which may include interest payable on the Notes. However, an exemption from withholding on interest payments exists under Section 64 of the TCA 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.

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and either:
  - (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream Luxembourg, amongst others, are so recognised), or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent, if any) in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in any of Euroclear and Clearstream Luxembourg, interest on the Notes can be paid by 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 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 TCA, as amended “**Section 110**”) and provided the interest is paid to a person resident in a “relevant territory”

(i.e. a Member State (other than Ireland) or in a country with which Ireland has signed a double taxation agreement). 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.

### ***Encashment Tax***

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

### ***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. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax 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.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided:

- (a) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above; or
- (b) in the event of the Notes ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of Section 110 and the interest is paid out of the assets of the Issuer; or
- (c) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company resident in a relevant territory that generally taxes interest receivable by companies from foreign sources, or the interest is exempt from income tax under the provisions of a double taxation agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

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.

In addition, provided that the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control, whether directly or indirectly, of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in a relevant territory or a stock exchange approved by the Irish Minister for Finance. Noteholders receiving interest on the Notes which does not fall within the above exemptions may be liable to Irish income tax.

### ***Capital Gains Tax***

A holder of the Notes will be subject to Irish tax on capital gains on a disposal of the Notes unless 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 Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent 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. Bearer notes are generally regarded as situated where they are physically located at any particular time. Registered notes are generally regarded as situated where the principal register of noteholders is maintained or required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

### ***Stamp Duty***

On the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999 of Ireland, provided the proceeds of the Notes are used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes.

### ***EU Savings Directive***

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Any Irish paying agent (if any) making an interest payment on behalf of the Issuer to an individual, and certain residual entities defined in the TCA, resident in another Member State or a territory being a dependent or associated territory of a Member State (a "**Reportable Territory**") will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of such Reportable Territory of residence of the individual or residual entity concerned.

### ***FATCA Implementation in Ireland***

On 21 December 2012, the Governments of Ireland and the United States signed the Ireland IGA. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**").

The IGA and Irish FATCA Regulations will increase the amount of tax information automatically exchanged between Ireland and the United States. They provide for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a "financial institution". Unless an exemption applies, the Issuer shall be required to register with the US Internal Revenue Service as a "reporting financial institution" for FATCA purposes. In order for the Issuer to comply with its FATCA obligations it will be required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities (NFFEs) that are controlled by specified US persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Issuer as being a ‘non-participating financial institution’ for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information. Noteholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

## **U.S. Taxation**

### ***In General***

The following is a description of certain U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the Notes. This description applies to holders who acquire the Notes at the original issuance for an amount equal to the issue price of the relevant Class of Notes (generally, the first price at which a substantial amount of Notes of such Class are sold to the public, excluding sales to bond houses, brokers, underwriters, placement agents, and wholesalers) and hold the Notes as a capital asset and not as part of a hedge, straddle, conversion or other integrated transaction. This summary assumes that a U.S. Holder has a U.S. Dollar functional currency and the Issuer has a non-U.S. Dollar functional currency.

This description does not address the rules applicable to certain types of investors that are subject to special U.S. federal income tax rules, including but not limited to, dealers in securities or currencies, traders in securities, financial institutions, U.S. expatriates, tax-exempt entities (except with respect to specific issues discussed herein), charitable remainder trusts and their beneficiaries, insurance companies, persons or their qualified business units (“**QBU**s”) whose functional currency is not the U.S. Dollar, persons that own (directly or indirectly) equity interests in holders of Notes and subsequent purchasers of the Notes. In addition, this description does not address the U.S. federal estate and gift tax, or alternative minimum tax consequences of the acquisition, ownership, disposition or retirement of the Notes and does not address state, local or Non-U.S. tax consequences. This description does not purport to be a comprehensive summary of all the U.S. federal income tax considerations that may be relevant to a particular investor’s decision to purchase the Notes. The Trust Deed could be amended in a manner that materially adversely affects the U.S. federal tax consequences of an investment in the Notes as described herein. This discussion assumes that the Trust Deed is not so amended.

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This description is based on the Internal Revenue Code of 1986, as amended, existing and proposed Treasury Regulations (“**Regulations**”), administrative pronouncements and judicial decisions, each as available and in effect or available on the date of this Prospectus. These are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein and could affect the continued accuracy of this summary.

This description is provided for general information only, and there can be no assurance that the Internal Revenue Service will agree that the U.S. federal income tax consequences of an investment in the Notes is as described herein. **ACCORDINGLY, PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, AND THE POSSIBLE APPLICATION OF STATE, LOCAL, FOREIGN OR OTHER TAX LAWS. IN PARTICULAR, NO REPRESENTATION IS MADE AS TO THE MANNER IN WHICH PAYMENTS UNDER THE NOTES WOULD BE CHARACTERISED BY ANY RELEVANT TAXING AUTHORITY.**

As used in this section, the term “**U.S. Holder**” includes a beneficial owner of a Note that is, for U.S. federal income tax purposes: (1) a citizen or individual resident of the United States of America; (2) an entity treated for United States federal income tax purposes as a corporation and organized in or under the laws of the United States of America or any State thereof, or the District of Columbia; (3) an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or (4) a trust (a) a court within the

United States of America is able to exercise primary supervision over its administration and one or more U.S. Persons have the authority to control all substantial decisions of such trust, or (b) that has validly elected to be treated as a United States person.

The term “**non-U.S. Holder**” means a beneficial owner of a Note that is neither a U.S. Holder nor a partnership (or an entity treated as a partnership for U.S. federal income tax purposes).

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

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.

### ***U.S. Tax Treatment of the Issuer***

The Issuer will adopt, and intends to follow certain operating guidelines designed to reduce the risk that the Issuer will be deemed to have engaged in the conduct of a trade or business in the United States. The Issuer will receive an opinion of Milbank, Tweed, Hadley & McCloy LLP subject to customary assumptions and qualifications to the effect that, assuming the Issuer and Collateral Manager comply with these guidelines and other requirements of the Collateral Management Agreement, the Issuer will not be engaged in a trade or business in the United States. As long as the Issuer is not engaged in a U.S. trade or business, the Issuer will not be subject to U.S. federal income tax on its net income. If the Issuer were found to be engaged in a U.S. trade or business, it could be subject to substantial U.S. federal income taxes the imposition of which would materially impair its ability to pay interest on and principal of the Rated Notes and make distributions on the Subordinated Notes. In addition, if the Issuer were found to be engaged in a U.S. trade or business, payments in respect of the Notes may be treated as U.S. source income that could be subject to withholding unless appropriate certifications of status have been provided by Non-U.S. Holders to the applicable withholding agent as discussed further below.

The opinion above represents only counsel’s best judgment, and is not binding on the Internal Revenue Service or the courts. There are no authorities that deal with situations substantially identical to the Issuer’s, and the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the Internal Revenue Service or other causes.

### ***United States Withholding Taxes***

Although the Issuer is not expected to be subject to U.S. federal income tax on a net income basis, income derived by the Issuer may be subject to withholding taxes imposed by the United States or other countries. Generally, U.S. source interest income received by a foreign corporation not engaged in a trade or business within the United States is subject to U.S. withholding tax at the rate of 30 per cent. of the amount thereof. The Code provides an exemption (the “portfolio interest exemption”) from such withholding tax for interest paid with respect to certain debt obligations issued after 18 July 1984, unless (a) the interest constitutes a certain type of contingent interest or (b) is paid to a 10 per cent. shareholder of the payor, to a controlled foreign corporation related to the payor, or to a bank with respect to a loan entered into in the ordinary course of its business. The Issuer is permitted to acquire a particular Collateral Debt Obligation only if the payments thereon are exempt from U.S. withholding taxes at the time of purchase or commitment to purchase (with the exception of commitment fees associated with Collateral Debt Obligations constituting Revolving Obligations or Delayed Drawdown Collateral Debt Obligations) or the Obligor is required to make “gross-up” payments that offset fully any such tax on any such payments. Any commitment fees associated with Collateral Debt Obligations constituting Revolving Obligations or Delayed Drawdown Collateral Debt Obligations if treated as U.S. source income may be subject to U.S. withholding tax, which would reduce the Issuer’s net income from such activities. However, subject to the discussion of below (see “FATCA Tax Reporting and Withholding”) the Issuer does not anticipate that it will otherwise derive material amounts of any other items of income that would be subject to U.S. withholding taxes. Accordingly, assuming compliance with the foregoing restrictions and subject to the foregoing qualifications, income derived by the Issuer

will be free of or fully “grossed up” for any material amount of U.S. withholding tax. However, there can be no assurance that income derived by the Issuer will not generally become subject to U.S. withholding tax as a result of a change in U.S. tax law or administrative practice, procedure, or interpretations thereof. Any change in U.S. tax law or administrative practice, procedure, or interpretations thereof resulting in the income of the Issuer becoming subject to U.S. withholding taxes could constitute a Note Tax Event.

Generally, foreign currency gains are sourced by reference to the residence of the recipient. Thus, foreign currency gains of a non-U.S. corporation are generally treated as foreign source income. However, if for this purpose a non-United States corporation has a principal place of business in the United States (a “**U.S. business**”) generally any foreign currency gain properly reflected as income of the U.S. business is treated as U.S. source income. A U.S. business for this purpose will be subject to U.S. withholding tax on foreign currency gain that is properly reflected as income of the U.S. business and that is not income effectively connected to a United States trade or business for purposes of being subject to U.S. taxation on its net income under the rules described above. The Issuer intends to take the position that none of its foreign currency gains will be subject to U.S. withholding tax. However, the application of these rules is unclear and the activities of the Issuer could cause it to have foreign currency gains subject to U.S. withholding tax. The imposition of U.S. withholding taxes could constitute a Note Tax Event.

### ***Characterisation of the Notes***

The Class A Notes, Class B-1 Notes, the Class B-2 Notes, Class C Notes and Class D Notes will be treated as debt for U.S. federal income tax purposes. The Class E Notes should be treated as debt for U.S. federal income tax purposes. The Issuer also intends to treat the Class F Notes as debt for federal income tax purposes. Although the Subordinated Notes are denominated as debt, based on the capital structure of the Issuer and the characteristics of the Subordinated Notes, the Subordinated Notes will be treated as equity for U.S. federal income tax purposes. This summary assumes that the foregoing treatment of each Class of Notes is correct. For the remainder of this discussion on “Income Tax Considerations”, the term “Notes” refers to the “Rated Notes” (other than those treated as equity for U.S. federal income tax purposes). The Subordinated Notes are discussed below under “Tax Treatment of U.S. Holders of Subordinated Notes”. Further, the Issuer will treat, and each holder and beneficial owner of a Note (by acquiring such Note or an interest in such Note) generally will agree to treat, such Note as debt for U.S. federal income tax purposes. Prospective investors should note that the characterisation of an instrument as debt or equity for U.S. federal income tax purposes is highly factual and must be based on the applicable law and the facts and circumstances existing at the time the instrument is issued. Material changes in facts from those existing on the Issue Date (e.g. a material decline in the value of the Issuer’s assets, a material adverse change in the Issuer’s ability to repay the Notes previously issued, and/or a material decline in the proportion of the Subordinated Notes) could affect the characterisation of the Notes issued after (but not before) such changes. No ruling will be sought from the Internal Revenue Service regarding this, or any other, aspect of the U.S. federal income tax treatment of the Notes. Accordingly, there can be no assurance that the Internal Revenue Service will not contend, and that a court will not ultimately hold, that one or more Classes of the Notes (e.g. the Class F Notes because of their place in the capital structure of the Issuer) are equity in the Issuer. Recharacterisation of a Class of Notes, particularly the Class F Notes because of their place in the capital structure, may be more likely if a single investor or a group of investors that holds all of the Subordinated Notes also holds most of the Class F Notes or such other more senior Class of Notes in the same proportion as the Subordinated Notes are held. If any of the Classes of the Notes were treated as equity in, rather than debt of, the Issuer for U.S. federal income tax purposes, U.S. Holders of those Notes would be subject to taxation under rules substantially the same as those set forth below under “Tax Treatment of U.S. Holders of Subordinated Notes” which could cause adverse tax consequences to the U.S. Holders upon sale, exchange, redemption, retirement or other taxable disposition of, or the receipt of certain types of distributions on, those Notes.

Any U.S. Holder of a Note that treats its Note as equity in the Issuer for U.S. federal income tax purposes, inconsistently with the Issuer’s treatment of the Notes for such purposes, is required to disclose the treatment on its U.S. federal income tax return. If a U.S. Holder of a Note treats the Note as debt of the Issuer for U.S. federal income tax purposes, consistently with the Issuer’s treatment of the Note for such purposes, it is not entirely clear whether the U.S. Holder may make a protective qualified electing fund (“**QEF**”) election (described below in “Tax



Treatment of U.S. Holders of Subordinated Notes - Investment in a Passive Foreign Investment Company”) to protect the holder in the event of the possible recharacterisation of the Note as equity in the Issuer.

Subject to the discussion of original issue discount (“OID”) below, U.S. Holders generally will include in gross income payments of interest paid on Notes treated as debt in accordance with their regular method of tax accounting.

In general, if the issue price of a Note is less than its “stated redemption price at maturity” by at least a statutory de minimis amount, the Note will be considered to have been issued with OID. Stated redemption price at maturity includes all payments provided for under the Note that are not qualified stated interest. Interest is qualified stated interest if it is unconditionally payable at a single rate of interest at least annually. If a U.S. Holder acquires a Note issued with OID, then, regardless of such holder’s method of accounting, the U.S. Holder will be required to include such OID in income on a constant yield to maturity basis, whether or not it receives a cash payment on any payment date. So long as the Issuer is not engaged in a trade or business within the United States, interest and OID on a Note generally will be ordinary income from sources outside the United States.

Because payments of stated interest on the Class C Notes, Class D Notes, the Class E Notes and Class F Notes (“**Deferred Interest Notes**”) are contingent on available funds and subject to deferral, the Deferred Interest Notes will be treated for U.S. federal income tax purposes as having OID. The total amount of such discount with respect to a Deferred Interest Note will equal the sum of all payments to be received under such Deferred Interest Note less its issue price (the first price at which a substantial amount of Deferred Interest Notes of the same Class was sold to investors). A U.S. Holder of Deferred Interest Notes will be required to include OID in income as it accrues.

Regulations applicable to debt instruments issued with OID do not provide definitive rules for accrual of OID on debt instruments the payments on which are contingent as to time, in the manner of the Deferred Interest Notes. In the absence of such definitive guidance, the Issuer intends to treat the amount of OID accruing in any Interest Accrual Period as generally equal to the stated interest accruing in that period (whether or not currently due) plus any additional amount representing the accrual under a constant yield method of any additional OID represented by the excess of the principal amount of the Deferred Interest Notes over their issue price. Accruals of any such additional OID will be based on the projected weighted average life of the Deferred Interest Notes rather than their stated maturity. In the case of Deferred Interest Notes that provide for interest at a floating rate, accruals of OID should be calculated by assuming that interest will be paid over the life of the Deferred Interest Note based on the value of LIBOR used in setting interest for the first Interest Accrual Period, and then adjusting the income for each subsequent Interest Accrual Period for any difference between the actual value of LIBOR used in setting interest for those periods and the assumed rate.

The Notes may be debt instruments described in Section 1272(a)(6) of the Code (debt instruments that may be accelerated by reason of the prepayment of other debt obligations securing such debt instruments). Special tax rules principally relating to the accrual of OID, market discount, and bond premium apply to debt instruments described in Section 1272(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6). Alternatively, if issued at a discount to their principal amount and in certain other circumstances, the Notes may be subject to special rules for contingent payment debt instruments which could affect the timing and character of income from the Notes. Prospective investors should consult with their own tax advisors regarding the effects of contingent payment debt rules if they apply.

A U.S. Holder generally will recognise a gain or loss on the disposition of a Note in an amount equal to the difference between the amount realised (other than with respect to accrued and unpaid interest, which will be treated as interest income) and the holder’s adjusted tax basis in such Note. A U.S. Holder’s adjusted tax basis in a Note generally will equal the cost of the Note increased by any OID previously accrued and decreased by any payments received. The gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders that are individuals may be entitled to preferential treatment for long-term capital gains. The

deductibility of capital losses is limited. Gain and loss recognised by a U.S. Holder generally will be from sources within the United States assuming the Notes are not held by a U.S. Holder through a non-U.S. branch.

### ***Payments of Interest and OID in Euros***

A U.S. Holder with a U.S. Dollar functional currency that uses the cash method of accounting for U.S. federal income tax purposes and receives a payment of interest on a Note (other than OID) denominated in Euro will be required to include in gross income the U.S. Dollar value of the payment in Euro on the date such payment is received (based on the U.S. Dollar spot rate for the Euro on the date such payment is received) regardless of whether the payment is in fact converted to U.S. Dollars at that time. No exchange gain or loss will be recognised with respect to the receipt of such payment.

A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes, or that otherwise is required to accrue interest prior to receipt, will be required to include in gross income the U.S. Dollar value of the amount of interest income that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period. The U.S. Dollar value of the accrued interest income will be determined by translating the interest income at the average U.S. Dollar exchange rate for Euro in effect during the accrual period or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year. A U.S. Holder may elect, however, to translate such accrued interest income using the U.S. Dollar spot rate for the Euro on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, on the last day of the taxable year. If the last day of an accrual period is within five Business Days of the date of receipt of the accrued interest, a U.S. Holder may translate such interest using the U.S. Dollar spot rate on the date of receipt. The above election must be applied consistently to all debt instruments from year to year and may not be changed without the consent of the Internal Revenue Service. Prior to making such an election, a U.S. Holder should consult its own tax advisor.

A U.S. Holder that uses the accrual method of accounting for U.S. federal income tax purposes may recognise exchange gain or loss with respect to accrued interest income on the date the payment of such income is received. The amount of any exchange gain or loss recognised will equal the difference, if any, between the U.S. Dollar value of the payment in Euro received (based on the U.S. Dollar spot rate for the Euro on the date such payment is received) with respect to such accrued interest and the U.S. Dollar value of the income inclusion with respect to such accrued interest (computed as determined above). Any such exchange gain or loss will be treated as ordinary income or loss and will generally be treated as U.S. source income or loss.

The Issuer intends to take the position that OID for any accrual period on a Note will be determined in Euros and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. As described above, however, the treatment of Notes issued with OID is subject to uncertainty, and it is possible that different rules would apply. Applying this method, all payments on a Note (other than payments of qualified stated interest) will generally be viewed first as payments of previously accrued OID (to the extent thereof), with payments attributed first to the earliest-accrued OID, and then as payments of principal. Upon receipt of a payment attributable to OID (whether in connection with a payment of interest or on the sale, exchange, redemption, retirement or other taxable disposition of a Note), a U.S. Holder may recognise exchange gain or loss as described above with respect to accrued interest income. Any such exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss.

### ***Receipt of Euros***

Euros received as payment on a Note or on a sale, exchange, redemption, retirement or other taxable disposition of a Note will have a tax basis equal to its U.S. Dollar value at the time the payment is received or at the time of a sale, exchange, redemption, retirement or other taxable disposition, as the case may be. Euros that are purchased will generally have a tax basis equal to the U.S. Dollar value of Euros on the date of purchase. Any exchange gain or loss recognised on a sale, exchange, redemption, retirement or other taxable disposition of the Euro (including its use to purchase Notes or upon exchange for U.S. Dollars) will be ordinary income or loss and will generally be treated as U.S. source income or loss.

### ***Foreign Currency Gain or Loss on Purchase or Disposition***

A U.S. Holder that purchases the Notes using Euros generally will recognise exchange gain or loss in an amount equal to the difference (if any) between the U.S. Dollar fair market value of Euros used to purchase the Notes determined at the spot rate of exchange in effect on the date of purchase of the Notes and such U.S. Holder's tax basis in the Euro. If a U.S. Holder receives Euro on a sale, exchange, redemption, retirement or other taxable disposition of a Note, the amount realised will be based on the U.S. Dollar value of the Euros on the date the payment is received or the date of disposition of the Note. Any gain or loss realised upon the sale, exchange, redemption, retirement or other taxable disposition of the Note that is attributable to fluctuations in currency exchange rates will be exchange gain or loss. Any gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. Dollar value of the principal amount of the Note when payment is received or a Note is disposed of (determined by the U.S. Dollar spot rate for the Euro on that date) and the U.S. Dollar value of principal amount of the Note on the date the Note was acquired (determined by the U.S. Dollar spot rate for the Euro on the date of acquisition). Such exchange gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of such Note. Any exchange gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income, and will generally be treated as U.S. source income or loss.

As a result of the uncertainty regarding the U.S. federal income tax consequences to U.S. Holders with respect to the Notes and the complexity of the foregoing rules, each U.S. Holder of a Note is urged to consult its own tax advisor regarding the U.S. federal income tax consequences to the Holder of the purchase, ownership and disposition of the Note.

### ***Alternative Characterisation of the Notes***

There is some uncertainty regarding the appropriate classification of instruments such as the Notes. It is possible, for example, that the Internal Revenue Service may contend that a Class of Notes should be treated as equity interests in the Issuer. Such a recharacterisation may result in material adverse U.S. federal income tax consequences to U.S. Holders. If U.S. Holders of a Class of the Notes were treated as owning equity interests in the Issuer, the U.S. federal income tax consequences to U.S. Holders of such recharacterised Notes generally would be as described under "Tax Treatment of U.S. Holders of Subordinated Notes" as it related to U.S. Holders or interests in a passive foreign investment company and "Tax Return Disclosure and Investor List Requirements". In order to avoid the application of the PFIC rules, each U.S. Holder of a Note should consider whether to make a qualified electing fund election provided in Section 1295 of the Code on a "protective" basis (although such protective election may not be respected by the Internal Revenue Service because current Regulations do not specifically authorise a protective election). See "Investment in a Passive Foreign Investment Company". Further, U.S. Holders should consult with their own tax advisors with respect to whether, if they owned equity in the Issuer, they would be required to file information returns in accordance with sections 6038, 6038B, and 6046 of the Code (and, if so, whether they should file such returns on a protective basis).

### **Tax Treatment of U.S. Holders of Subordinated Notes**

#### ***Investment in a Passive Foreign Investment Company***

The Issuer will constitute a passive foreign investment company ("PFIC") and the Subordinated Notes will be treated as equity in the Issuer for U.S. tax purposes. Accordingly, U.S. Holders of Subordinated Notes (other than certain U.S. Holders that are subject to the controlled foreign corporation rules described below) will be considered U.S. shareholders in a PFIC. A U.S. Holder of a PFIC may wish to make an election to treat the Issuer as a QEF with respect to such U.S. Holder. Generally, a QEF election should be made with the filing of a U.S. Holder's federal income tax return for the first taxable year for which it held the Subordinated Notes. If a timely QEF election is made for the Issuer, an electing U.S. Holder will be required in each taxable year to include in gross income (i) as ordinary income, the electing holder's pro rata share of the Issuer's ordinary earnings and (ii) as long-term capital gain, the electing holder's pro rata share of the Issuer's net capital gain, whether or not distributed and translated into U.S. Dollars using the average U.S. Dollar exchange rate for the Euro for the Issuer's taxable year. In determining the Issuer's ordinary earnings, the OID interest that accrues on the Notes may be expensed by the

Issuer (whether or not the OID is de minimis). If a U.S. Holder of Subordinated Notes designates a portion of any distribution to it as a Contribution Amount, it nonetheless will be treated for U.S. federal income tax purposes as though that portion has been distributed. A U.S. Holder will not be eligible for the dividends received deduction with respect to such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to such electing U.S. Holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. An amount included in an electing U.S. Holder's gross income should be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. However, if U.S. Holders collectively own (directly, indirectly or constructively) 50 per cent. or more (measured by vote or value) of the Subordinated Notes, such amount will be treated as income from sources within the United States for such purposes to the extent that such amount is attributable to income of the Issuer from sources within the United States. If applicable to a U.S. Holder of Subordinated Notes, the rules pertaining to a controlled foreign corporation, discussed below, generally override those pertaining to a PFIC with respect to whether a QEF election is in effect.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. shareholders may be permitted to elect to defer payment of some or all of the taxes on the QEF's income subject to an interest charge on the deferred amount. Prospective purchasers of Subordinated Notes should be aware that it is expected that the Collateral Debt Obligations may be purchased by the Issuer with substantial OID, the cash payment of which may be deferred, perhaps for a substantial period of time, and the Issuer may use interest and other income from the Collateral Debt Obligations to purchase additional Collateral Debt Obligations or to retire the Notes. As a result, the Issuer may have in any given year substantial amounts of earnings for U.S. federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. Holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income.

A U.S. Holder of Subordinated Notes (other than certain U.S. Holders that are subject to the controlled foreign corporation rules described below) that does not make a timely QEF election will be required to report any gain on disposition of any Subordinated Notes as if it were an excess distribution, rather than capital gain, and to compute the tax liability on such gain and any excess distribution received with respect to the Subordinated Notes as if such items had been earned ratably over each day in the U.S. Holder's holding period (or a certain portion thereof) for the Subordinated Notes. The U.S. Holder will be subject to tax on such items at the highest ordinary income tax rate for each taxable year, other than the current year of the U.S. Holder, in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. Holder. Further, such U.S. Holder will also be liable for an additional tax equal to interest on the tax liability attributable to income allocated to prior years as if such liability had been due with respect to each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganisations and use of the Subordinated Notes as security for a loan may be treated as a taxable disposition of the Subordinated Notes. Very generally, an "excess distribution" is the amount by which distributions during a taxable year with respect to 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. Holder's holding period for the Subordinated Note). In addition, a stepped-up basis in the Subordinated Note upon the death of an individual U.S. Holder may not be available.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF THE SUBORDINATED NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE SUBORDINATED NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Upon written request by a holder of a Subordinated Note certifying that it is a holder of a beneficial interest in a Subordinated Note (or any other Note that is required to be treated as equity for U.S. federal income tax purposes), the Issuer shall (to the extent it can reasonably obtain such information) provide, or cause the independent accountants to provide, within 60 days after the end of the Issuer's tax year, to such holder (or its designee) of the Subordinated Notes (or any other Note that is required to be treated as equity for U.S. federal income tax purposes), all information reasonably available to the Issuer that a U.S. shareholder making such QEF election is required to obtain from the Issuer for U.S. federal income tax purposes, and a "PFIC Annual Information

Statement” as described in Regulation Section 1.1295-1(g)(1) (or any successor Regulation) and the Issuer will take or cause the accountants to take any other reasonable steps to facilitate such election by a Holder or beneficial owner of a Subordinated Note (or any other Note that is required to be treated as equity for U.S. federal income tax purposes). Prospective U.S. Holders should note that the cost of obtaining such information will be at the expense of the Issuer (at its own cost but such cost will be deemed an Administrative Expense and subject to the priorities set out therein and the Priorities of Payments generally). Nonetheless, there can be no assurance that such information will be available or presented; moreover any such costs that exceed item (iii)(F) of the definition of Administrative Expenses shall be borne by such U.S. Holders. Accordingly, prospective U.S. Holders should take the possibility of such costs into account in determining whether a Subordinated Note (or any other Note that is required to be treated as equity for U.S. Federal income tax purposes) is a suitable investment.

### ***Investment in a Controlled Foreign Corporation***

The Issuer may be classified as a controlled foreign corporation (“CFC”). In general, a foreign corporation will be classified as a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, is owned (actually or constructively) by “U.S. Shareholders”. A “U.S. Shareholder” for this purpose, is any U.S. Person that possesses (actually or constructively) ten per cent. or more of the combined voting power (generally the right to vote for directors of the corporation) of all classes of shares of a corporation. Although the Subordinated Notes do not vote for directors of the Issuer, it is possible that the Internal Revenue Service would assert that the Subordinated Notes are de facto voting securities and that U.S. Holders possessing (actually or constructively) ten per cent. or more of the total stated amount of outstanding Subordinated Notes are U.S. Shareholders. If this argument prevailed and Subordinated Notes representing more than 50 per cent. of the voting power or value of the Issuer’s equity are owned (actually or constructively) by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were treated as a CFC for at least 30 consecutive days during its taxable year, a U.S. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a deemed 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” 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. Such deemed dividend would be treated as income from sources within the United States for U.S. foreign tax credit limitation purposes to the extent that it is attributable to income of the Issuer from sources within the United States. It is likely that, if the Issuer were to constitute a CFC, all or most of its income would be subpart F income and, in general, if the Issuer’s subpart F income exceeds 70 per cent. of its gross income, the entire amount of the Issuer’s income will be treated as subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate 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. U.S. Holders should consult their tax advisors regarding these special rules.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer which made a QEF election with respect to the Issuer would be taxable on the subpart F income of the Issuer under rules described in the preceding paragraph and not under the QEF rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains will be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the QEF rules.

Furthermore, if the Issuer were treated as a CFC and a U.S. Holder were treated as a U.S. Shareholder therein, the Issuer would not be treated as a PFIC or a QEF with respect to such U.S. Holder for the period during which the Issuer remained a CFC and such U.S. Holder remained a U.S. Shareholder (the “**qualified portion**”), of the U.S. Holder’s holding period for the Subordinated Notes). If the qualified portion of the U.S. Holder’s holding period for the Subordinated Notes subsequently ceased (either because the Issuer ceased to be a CFC or the U.S. Holder ceased to be a U.S. Shareholder), then solely for purposes of the PFIC rules, the U.S. Holder’s holding period for the Subordinated Notes would be treated as beginning on the first day following the end of the qualified portion,

unless the U.S. Holder had owned any Subordinated Notes for any period of time prior to the qualified portion and had not made a QEF election with respect to the Issuer. In that case, the Issuer would again be treated as a PFIC which is not a QEF with respect to such U.S. Holder and the beginning of such U.S. Holder's holding period for the Subordinated Notes would continue to be the date upon which such U.S. Holder acquired the Subordinated Notes, unless the U.S. Holder made an election to recognise gain with respect to the Subordinated Notes and a QEF election with respect to the Issuer.

The Issuer will undertake (at its own cost but such cost will be deemed an Administrative Expense and subject to the priorities set out therein and the Priorities of Payments generally) to provide U.S. Shareholders with the requisite tax information to enable such holders to comply with any reporting requirements with respect to being U.S. Shareholders, provided, however, such information is reasonably available to the Issuer. Nonetheless, there can be no assurance that such information will be available or presented; moreover any such costs that exceed item (iii)(F) of the definition of Administrative Expenses shall be borne by such U.S. Shareholders. Accordingly, prospective U.S. Holders should take the possibility of such costs into account in determining whether a Subordinated Note (or any other Note that is required to be treated as equity for U.S. Federal income tax purposes) is a suitable investment.

### ***Indirect Interests in PFICs and CFCs***

If the Issuer owns a Collateral Debt Obligation or an Exchanged Security issued by a non-U.S. corporation that is treated as equity for U.S. federal income tax purposes, U.S. Holders of the Subordinated Notes could be treated as owning an indirect equity interest in a PFIC or a CFC and could be subject to certain adverse tax consequences.

In particular, if the Issuer owns equity interests in PFICs ("**Lower-Tier PFICs**"), a U.S. Holder of the Subordinated Notes would be treated as owning directly the U.S. Holder's proportionate amount (by value) of the Issuer's equity interests in the Lower-Tier PFICs. A U.S. Holder's QEF election with respect to the Issuer would not be effective with respect to such Lower-Tier PFICs. However, a U.S. Holder would be able to make QEF elections with respect to such Lower-Tier PFICs if the Lower-Tier PFICs provide certain information and documentation to the Issuer in accordance with applicable Regulations. However, there can be no assurance that the Issuer would be able to obtain such information and documentation from any Lower-Tier PFIC, and thus there can be no assurance that a U.S. Holder would be able to make or maintain a QEF election with respect to any Lower-Tier PFIC. If a U.S. Holder does not have a QEF election in effect with respect to a Lower-Tier PFIC, as a general matter, the U.S. Holder would be subject to the adverse consequences described above under "Investment in a Passive Foreign Investment Company" with respect to any excess distributions made by such Lower-Tier PFIC to the Issuer, any gain on the disposition by the Issuer of its equity interest in such Lower-Tier PFIC treated as indirectly realised by such U.S. Holder, and any gain treated as indirectly realised by such U.S. Holder on the disposition of its equity in the Issuer (which may arise even if the U.S. Holder realises a loss on such disposition). The amount would not be reduced by expenses or losses of the Issuer, but any income recognised may increase a U.S. Holder's tax basis in its Subordinated Notes. Moreover, if the U.S. Holder has a QEF election in effect with respect to a Lower-Tier PFIC, the U.S. Holder would be required to include in income the U.S. Holder's pro rata share of the Lower-Tier PFIC's ordinary earnings and net capital gain as if the U.S. Holder's indirect equity interest in the Lower-Tier PFIC were directly owned, and it appears that the U.S. Holder would not be permitted to use any losses or other expenses of the Issuer to offset such ordinary earnings and/or net capital gains, but recognition of such income may increase a U.S. Holder's tax basis in its Subordinated Notes.

Accordingly, if any of the Collateral Debt Obligations or Exchanged Security are treated as equity interests in a PFIC, U.S. Holders could experience significant amounts of phantom income with respect to these interests. Other adverse tax consequences may arise for such U.S. Holders that are treated as owning indirect interests in CFCs. U.S. Holders should consult their own tax advisors regarding the tax issues associated with such investments in light of their own individual circumstances.

### ***Distributions on the Subordinated Notes***

The treatment of actual distributions of cash on the Subordinated Notes, in very general terms, will vary depending on whether a U.S. Holder has made a timely QEF election as described above. See "*Investment in a Passive*

*Foreign Investment Company*". If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC rules, if applicable) and to this extent will not be taxable to U.S. Holders. Distributions in excess of amounts treated as previously taxed pursuant to a QEF election (or pursuant to the CFC rules, if applicable) will be taxable to U.S. Holders as ordinary income upon receipt to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of any current and accumulated earnings and profits will be treated first as a non-taxable reduction to the U.S. Holder's tax basis for the Subordinated Notes to the extent thereof and then as capital gain.

In the event that a U.S. Holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Subordinated Notes may constitute excess distributions, taxable as previously described. See "Investment in a Passive Foreign Investment Company". In that event, except to the extent that distributions may be attributable to amounts previously taxed to the U.S. Holder pursuant to the CFC or PFIC rules or are treated as excess distributions, distributions on the Subordinated Notes generally would be treated as dividends to the extent paid out of the Issuer's current or accumulated earnings and profits not allocated to any excess distributions, then as a non-taxable reduction to the U.S. Holder's tax basis for the Subordinated Notes to the extent thereof and then as capital gain. Dividends received from a foreign corporation generally will be treated as income from sources outside the United States for U.S. foreign tax credit limitation purposes. However, if U.S. Holders collectively own (directly or constructively) 50 per cent. or more (measured by vote or value) of the Subordinated Notes, a percentage of the dividend income equal to the proportion of the Issuer's earnings and profits from sources within the United States generally will be treated as income from sources within the United States for such purposes.

Distributions paid in Euros will be translated into a U.S. Dollar amount based on the spot rate of exchange in effect on the date of receipt whether or not the payment is converted into U.S. Dollars at that time. A U.S. Holder will recognise exchange gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of the deemed distributions and actual distributions, and any such exchange gain or loss will be treated as ordinary income from the same source as the associated income inclusion. The tax basis of Euros received by a U.S. Holder generally will equal the U.S. Dollar value of the Euro determined at the spot rate of exchange in effect on the date the Euros are received, regardless of whether the payment is converted into U.S. Dollars at that time. Any gain or loss recognised on a subsequent conversion of Euros for U.S. Dollars, in an amount equal to the difference between the U.S. Dollars received and the U.S. Holder's tax basis in the Euro, generally will be U.S. source ordinary income or loss.

#### ***Purchase or Disposition of the Subordinated Notes***

A U.S. Holder that purchases the Subordinated Notes with Euro generally will recognise U.S. source ordinary income or loss in an amount equal to the difference (if any) between the U.S. Dollar fair market value of the Euro used to purchase the Subordinated Notes determined at the spot rate of exchange in effect on the date of purchase of the Subordinated Notes and such U.S. Holder's tax basis in the Euro. In general, a U.S. Holder of a Subordinated Note will recognise a gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a Subordinated Note equal to the difference between the amount realised and the U.S. Holder's adjusted tax basis in the Subordinated Note. Except as discussed below, the gain or loss will be a capital gain or loss and will be a long-term capital gain or loss if the U.S. Holder held the Subordinated Notes for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited. Any gain recognised by a U.S. Holder on the sale, exchange, redemption, retirement or other taxable disposition of a Subordinated Note (other than, in the case of a U.S. Holder treated as a "U.S. Shareholder", any gain characterised as a dividend, as discussed below) generally will be treated as from sources within the United States.

Initially, a U.S. Holder's tax basis for a Subordinated Note will equal the cost of the Subordinated Note to the U.S. Holder. The cost of a Subordinated Note to a U.S. Holder will be the U.S. Dollar value of the Euro purchase price based on the spot rate of exchange in effect on the date of purchase. Such basis will be increased by amounts

taxable to such U.S. Holder by virtue of a QEF election, or by virtue of the CFC rules, as 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 reduction to the U.S. Holder's tax basis for the Subordinated Note (as described above). If a U.S. Holder receives Euros on the sale or other taxable disposition of a Subordinated Note, the amount realised in U.S. Dollars generally will be based on the spot rate of exchange in effect on the date of the sale or other taxable disposition.

If a U.S. Holder does not make a timely QEF election as described above, any gain realised on the sale, exchange, redemption, retirement or other taxable disposition of a Subordinated Note (or any gain deemed to accrue prior to the time a non-timely QEF election is made) will be taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "Investment in a Passive Foreign Investment Company".

If the Issuer were treated as a CFC and a U.S. Holder were treated as a "U.S. Shareholder" of the Issuer, then subject to a special limitation in the case of individual U.S. Holders that have held such Subordinated Notes for more than one year, any gain realised by the U.S. Holder upon the disposition of Subordinated Notes, other than gain constituting an excess distribution under the PFIC rules, if applicable, would be treated as ordinary income to the extent of the U.S. Holder's share of the current or accumulated earnings and profits of the Issuer. Earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules, as applicable.

#### ***Tax Treatment of Tax-Exempt U.S. Holders***

U.S. Holders that are tax-exempt entities ("**Tax-Exempt U.S. Holders**") will not be subject to the tax on unrelated business taxable income ("**UBTI**") with respect to interest and capital gains income derived from an investment in the Notes. However, a Tax-Exempt U.S. Holder that also acquires the Subordinated Notes should consider whether interest it receives with respect to the Notes may be treated as UBTI under rules governing certain payments received from controlled entities.

A Tax-Exempt U.S. Holder generally will not be subject to the tax on UBTI with respect to regular distributions or excess distributions on the Subordinated Notes. A Tax-Exempt U.S. Holder which is not subject to tax on UBTI with respect to excess distributions may not make a QEF election. In addition, a Tax-Exempt U.S. Holder which is subject to the rules relating to controlled foreign corporations with respect to the Subordinated Notes generally should not be subject to the tax on UBTI with respect to income from such Subordinated Notes.

Notwithstanding the preceding discussion, a Tax-Exempt U.S. Holder that incurs acquisition indebtedness (as defined in Section 514(c) of the Code) with respect to the Notes may be subject to the tax on UBTI with respect to income from the Notes to the extent that the Notes constitute debt-financed property (as defined in Section 514(b) of the Code) of the Tax-Exempt U.S. Holder. A Tax-Exempt U.S. Holder subject to the tax on UBTI with respect to income from the Subordinated Notes will be taxed on excess distributions in the manner discussed above under "*Investment in a Passive Foreign Investment Company*". Such a Tax-Exempt U.S. Holder will be permitted, and should consider whether, to make a QEF election with respect to the Issuer as discussed above.

Tax-Exempt U.S. Holders should consult their own tax advisors regarding an investment in the Notes.

#### ***Tax Treatment of Non-U.S. Holders of Notes***

In general, payments on the Notes to a Holder that is non-U.S. Holder and gain realised on the sale, exchange, redemption, retirement or other taxable disposition of the Notes by a non-U.S. Holder, will not be subject to U.S. federal income or withholding tax, unless (i) such income is effectively connected with a trade or business conducted by the non-U.S. Holder in the United States, or (ii) in the case of gain, the non-U.S. Holder is a non-resident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale, exchange, redemption, retirement or other taxable disposition and certain other conditions are satisfied.



### ***Transfer Reporting Requirements***

A U.S. Person (including a Tax-Exempt U.S. Holder) that purchases the Subordinated Notes for cash will be required to file a Form 926 or similar form with the Internal Revenue Service if (i) such person owned, directly or by attribution, immediately after the transfer at least ten per cent. by voting power or value of the Issuer or (ii) if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds U.S. \$100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to ten per cent. of the gross amount paid for such Subordinated Notes subject to a maximum penalty of U.S. \$100,000 except in cases involving intentional disregard). U.S. Persons should consult their tax advisors with respect to this or any other reporting requirement which may apply with respect to their acquisition of the Subordinated Notes.

### ***Tax Return Disclosure and Investor List Requirements***

Any person that files a U.S. federal income tax return or U.S. federal information return and participates in a reportable transaction in a taxable year is required to disclose certain information on Internal Revenue Service Form 8886 (or its successor form) attached to such person's U.S. tax return for that taxable year (and also file a copy of the form with the Internal Revenue Service's Office of Tax Shelter Analysis) and to retain certain documents related to the transaction. In addition, under these Regulations, under certain circumstances, certain organisers and sellers of a reportable transaction will be required to maintain lists of participants in the transaction containing identifying information, retain certain documents related to the transaction, and furnish those lists and documents to the Internal Revenue Service upon request. The Code imposes significant penalties for failure to comply with these disclosure and list keeping requirements. The definition of reportable transaction is highly technical. However, in very general terms, a transaction may be a "reportable transaction" if, among other things, it is offered under conditions of confidentiality or it results in the claiming of a loss for U.S. federal income tax purposes in excess of certain threshold amounts.

In order to prevent the transactions described herein from being treated as offered under conditions of confidentiality, the Collateral Manager, the Issuer and the holders and beneficial owners of the Notes (and each of their respective employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. tax treatment and U.S. tax structure of the transactions described herein and all materials of any kind (including opinions or other tax analyses) that are provided to them relating to the U.S. tax treatment and U.S. tax structure. However, any disclosure of the tax treatment, tax structure and other tax-related materials shall not be made for the purpose of offering to sell the Notes and Subordinated Notes offered hereby or soliciting an offer to purchase any Notes and Subordinated Notes. For purposes of this paragraph, the terms "tax treatment" and "tax structure" have the meaning given to the terms under Regulation section 1.6011-4(c) and any analogous U.S. state or local law. In general, the tax treatment of a transaction is the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state and local law, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. tax treatment of the transaction under applicable U.S. federal, state and local law.

If the Issuer participates in a reportable transaction, a U.S. Holder of the Subordinated Notes that is a "reporting shareholder" of the Issuer will be treated as participating in the transaction and will be subject to the rules described above. Although most of the Issuer's activities, generally, are unlikely to give rise to "reportable transactions", it is nonetheless possible that the Issuer will participate in certain types of transactions that could be treated as reportable transactions. A U.S. Holder of Subordinated Notes will be treated as a reporting shareholder of the Issuer if (i) such U.S. Holder owns ten per cent. or more of the Subordinated Notes and makes a QEF election with respect to the Issuer, or (ii) the Issuer is treated as a CFC and such U.S. Holder is a U.S. Shareholder (as defined above) of the Issuer.

Non-corporate U.S. persons that hold certain foreign financial may be required to file new Internal Revenue Service Form 8938 to report the ownership of such assets if the total value of those assets exceeds the applicable threshold amounts. In general, specified foreign financial assets include debt or equity interests (that are not regularly traded on an established securities market) issued by foreign financial institutions (such as the Issuer),

and any interest in a foreign entity that is not a financial institution, including any stock or security, and any financial instrument or contract held for investment that has an issuer or counterparty that is not a U.S. person. Proposed regulations also would require certain domestic entities that are formed, or availed of, for purposes of holding, directly or indirectly, specified foreign financial assets to file Internal Revenue Service Form 8938. In addition, certain non-resident alien individuals may be required to file Form 8938, notwithstanding the availability of any special treatment under an income tax treaty. However, in general, such form is not required to be filed with respect to the Notes if they are held through a U.S. payer, such as a U.S. financial institution, a U.S. branch of a non U.S. bank, and certain non-U.S. branches or subsidiaries of U.S. financial institutions. Taxpayers who fail to make the required disclosure with respect to any taxable year are subject to a penalty of U.S.\$10,000 for such taxable year, which may be increased up to U.S.\$50,000 for a continuing failure to file the form after being notified by the Internal Revenue Service. In addition, the failure to file Form 8938 may extend the statute of limitations for a taxpayer's entire related income tax return (and not just the portion of the return that relates to the omission) until at least three years after the date on which the Form 8938 is filed.

Subject to certain exceptions, a U.S. Holder of Subordinated Notes is required to file an annual information return, currently on Form 8621, with respect to each PFIC in which it owns an interest directly or, in some cases, indirectly (including through certain pass-through entities). If the Issuer owns an interest in a PFIC, such as a foreign Tax Subsidiary that is a PFIC, holders of Subordinated Notes would be treated as owning a proportionate amount (by value) of the stock of such other PFIC. The Issuer will use reasonable efforts to provide each holder of Subordinated Notes with the information necessary to comply with the holder's reporting obligations with respect to such other PFIC. These PFIC reporting requirements generally do not apply to tax-exempt U.S. holders.

Prospective investors in the Notes should consult their own tax advisors concerning any possible disclosure obligations with respect to their ownership or disposition of the Notes in light of their particular circumstances.

### ***Information Reporting and Backup Withholding***

Under certain circumstances, the Code requires "information reporting", and may require "backup withholding" with respect to certain payments made on the Notes and the payment of the proceeds from the disposition of the Notes. Backup withholding generally will not apply to corporations, tax-exempt organisations, qualified pension and profit sharing trusts, and individual retirement accounts. Backup withholding will apply to a U.S. Holder if the U.S. Holder fails to provide certain identifying information (such as the U.S. Holder's taxpayer identification number) or otherwise comply with the applicable requirements of the backup withholding rules. The application for exemption from backup withholding for a U.S. Holder is available by providing a properly completed Internal Revenue Service Form W-9.

The payments of the proceeds from the disposition of a Note by a non-U.S. Holder to or through the U.S. office of a broker generally will not be subject to information reporting and backup withholding if the non-U.S. Holder certifies its status as a non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as non-U.S. Holders) under penalties of perjury on the appropriate Internal Revenue Service Form W-8, satisfies certain documentary evidence requirements for establishing that it is a non-U.S. Holder or otherwise establishes an exemption. The payment of the proceeds from the disposition of a Note by a non-U.S. Holder to or through a non-U.S. office of a non-U.S. broker will not be subject to backup withholding or information reporting unless the non-U.S. broker has certain specific types of relationships to the United States. The payment of proceeds from the disposition of a Note by a non-U.S. Holder (a) to or through a non-U.S. office of a U.S. broker or (b) to or through a non-U.S. broker with certain specific types of relationships to the United States generally will not be subject to backup withholding but will be subject to information reporting unless the non-U.S. Holder certifies its status as a non-U.S. Holder (and, if applicable, its beneficial owners also certify their status as non-U.S. Holders) under penalties of perjury or the broker has certain documentary evidence in its files as to the non-U.S. Holder's foreign status and the broker has no actual knowledge to the contrary.

Backup withholding is not an additional tax and may be refunded (or credited against the U.S. Holder's or non-U.S. Holder's U.S. federal income tax liability, if any), provided that certain required information is furnished to

the Internal Revenue Service. The information reporting requirements may apply regardless of whether withholding is required.

### ***FATCA Tax Reporting and Withholding***

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on U.S.-source payments it receives with respect to Collateral Debt Obligations of, and Eligible Investments in, U.S. obligors unless the Issuer complies with legislation in Ireland implementing the Ireland IGA. The Ireland IGA requires, among other things, that the Issuer collect and provide to the Irish government (which will provide such information to the Internal Revenue Service) substantial information regarding direct and indirect holders of the Notes unless the Issuer qualifies as a “Non-Reporting Irish Financial Institution” (as defined in the Ireland IGA) or is otherwise entitled to an exemption under FATCA. The required information will include the name, address, TIN and certain other information with respect to holders and certain direct and indirect owners of the holders.

The Issuer intends to comply with its obligations under the Ireland IGA and FATCA more generally. The Issuer anticipates that withholding will not be imposed on payments made to the Issuer, or on payments made by the Issuer, unless the Internal Revenue Service has specifically listed the Issuer as a non-participating financial institution, the Issuer has otherwise assumed responsibility for withholding under U.S. tax law, or the Issuer is unable to comply with FATCA or the Ireland IGA. In some cases, the Issuer’s ability to comply with FATCA could depend on factors outside of the Issuer’s control. For example, if an affiliate of the Issuer that is an FFI that is not FATCA compliant (i.e., it fails to comply with, and is not exempted from complying with, FATCA), the Issuer itself may be prohibited from complying with FATCA. For this purpose an FFI affiliate generally is an FFI that is deemed to be part of an affiliated group that includes the Issuer (where, in general, such affiliates and the Issuer are deemed related through more than 50 per cent. ownership (by vote and in some cases value)). For example, if an FFI owns (for US federal income tax purposes) more than 50 per cent. of the Issuer’s equity and such FFI equity owner is not FATCA compliant, the Issuer may be prevented from complying with FATCA. Furthermore, if any person is deemed (for US federal income tax purposes) to own more than 50 per cent. of the equity of both (i) the Issuer and (ii) another FFI, such other FFI may be treated as an FFI affiliate of the Issuer for this purpose and, thus, if such other FFI is not FATCA compliant, the Issuer may be prevented from complying with FATCA.

Although the Issuer will not prohibit any person from holding more than 50 per cent. of the Issuer’s equity, it may force the sale of all or a portion of the equity held by such a person if such holder is an FFI affiliate of the Issuer that is preventing the Issuer from complying with FATCA. For these purposes, the Issuer may sell a Holder’s or beneficial owner’s interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA. Moreover, if a holder fails to provide the Issuer with correct, complete and accurate information that may be required for the Issuer to comply with FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the holder, to compel the holder to sell its Notes and, if the holder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell the holder’s Notes on behalf of the holder.

No assurance can be given that the Issuer will be able to take all necessary actions or that actions taken will be successful to minimise the impact of FATCA. The Issuer’s ability to avoid adverse consequences under FATCA may not be within the control of the Issuer and, for example, may depend on the actions of the holder (and each foreign withholding agent (if any) in the chain of custody). The rules under FATCA or the Ireland IGA may also change in the future. Future guidance may subject payments on Notes to a withholding tax of 30% if each FFI that holds any such Note, or any intermediary through which any such Note is held, has not entered into an information reporting agreement with the Internal Revenue Service under FATCA or complied with the terms of a relevant intergovernmental agreement.

If the Issuer were to move from Ireland to another jurisdiction, the Issuer would be required to enter into an agreement with the Internal Revenue Service or comply with the terms of that jurisdiction’s intergovernmental agreement with the United States relating to FATCA in order to avoid the imposition of FATCA withholding. FATCA may also apply to intermediaries and Holders may be subject to withholding or forced transfers if they do

not comply with similar information requests made by an intermediary (or if an intermediary otherwise fails to comply with FATCA).

FATCA and comparable provisions of the Ireland IGA and Irish IGA Legislation are complex and their application to the Issuer is not entirely certain as the rules and regulations continue to be issued and revised. Each Noteholder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

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

## 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 so-called “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**”) and each a “**Party in Interest**”) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans, certain church plans and certain non-U.S. plans, while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under Federal, state, local or non-U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, the “**Plan Asset Regulation**”), as modified by Section 3(42) of ERISA, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan’s assets are deemed to include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established (a) that the entity is an “operating company,” as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates (each a “**Controlling Person**”), is held by Benefit Plan Investors (the “**25 per cent. Limitation**”). A “**Benefit Plan Investor**” means (1) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the entity, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an “equity interest” as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A Notes, Class B Notes, Class C Notes and the Class D Notes offered hereby will be treated by the Issuer as indebtedness with no substantial equity features for purposes of ERISA. However, the characteristics of the Class E Notes, the Class F Notes and the Subordinated Notes for purposes of the Plan Asset

Regulation are less certain. The Class E Notes, the Class F Notes and the Subordinated Notes may be considered “equity interests” for purposes of the Plan Asset Regulation. Accordingly, the Issuer intends to limit investments by Benefit Plan Investors in such Class E Notes, Class F Notes and Subordinated Notes. In reliance on representations made by investors in the Class E Notes, the Class F Notes and the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Class E Notes, the Class F Notes and the Subordinated Notes to less than 25 per cent. of the total value of each of the Class E Notes, the Class F Notes and the Subordinated Notes at all times (excluding for purposes of such calculation Class E Notes, Class F Notes and Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Class E Note, a Class F Note or a Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor and Controlling Person and other ERISA matters as described under the “*Transfer Restrictions*” section of this Prospectus. No Class E Notes, Class F Notes or Subordinated Notes will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25 per cent. or more of the Class E Notes, the Class F Notes or the Subordinated Notes (determined in accordance with Section 3(42) of ERISA, the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Class E Note, Class F Note or Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

It is possible that an investment in the Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, the Placement Agent, the Collateral 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 Collateral 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.

If you are a purchaser or transferee of a Class A Note, Class B Note, Class C Note or Class D Note or any interest in such Note, you will be deemed to have represented, warranted and agreed that (i) either (A) you 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 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 you 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) your acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other

Plan Law, and (ii) you will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Class E Note, Class F Note, or Subordinated Note in the form of a Regulation S Global Certificate or a Rule 144A Global Certificate, (i) you will be deemed to represent, warrant and agree that (A) 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 (substantially in the form of Annex A (Form of 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 (B) (1) 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 (2) if you are a governmental, church, non-U.S. or other plan, (a) 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 Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (b) 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) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Definitive Certificate or a Regulation S Definitive Certificate, (i) you will be required to represent and warrant in writing to the Issuer that (A) 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 (substantially in the form of Annex A (Form of 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 (B) (1) 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 (2) if you are a governmental, church, non-U.S. or other plan, (a) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (b) 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) you will agree to certain transfer restrictions regarding your interest in such Notes.

No transfer of an interest in the Class E Notes, Class F Notes or the Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, Class F Notes or the Subordinated Notes.

Any Plan fiduciary considering whether to acquire a Note on behalf of a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code should consult with its counsel regarding the potential consequences of such investment, the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and/or similar provisions of Other Plan Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

## PLAN OF DISTRIBUTION

### Subscription and Placement

Goldman Sachs International (in its capacity as placement agent, the “**Placement Agent**”) has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for each Class of the Notes pursuant to the Placement Agreement, at the issue price of: 100.00 per cent. in the case of the Class A Notes, 100.00 per cent. in the case of the Class B-1 Notes, 100.00 per cent. in the case of the Class B-2 Notes, 98.65 per cent. in the case of the Class C Notes, 99.35 per cent. in the case of the Class D Notes, 96.60 per cent. in the case of the Class E Notes, 87.55 per cent. in the case of the Class F Notes and 100.00 per cent. in the case of the Subordinated Notes (in each case less subscription and underwriting fees to be agreed between the Issuer and the Placement Agent). The Placement Agreement entitles the Placement Agent to terminate it in certain circumstances prior to payment being made to the Issuer. On the Issue Date, the Placement Agent will re-sell the Retention Notes to the Retention Holder.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A Notes: €25,400,000, Class B-1 Notes: €22,600,000, Class B-2 Notes: €24,000,000, Class C Notes: €24,900,000, Class D Notes: €18,600,000, Class E Notes: €27,600,000, Class F Notes: €12,900,000 and Subordinated Notes: €44,000,000. The Issuer has agreed to indemnify the Placement Agent, the Collateral Manager, the Collateral Administrator, the Trustee and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Certain of the Collateral Debt Obligations may have been originally underwritten or placed by the Placement Agent. In addition, the Placement Agent may have in the past performed and may in the future perform investment banking services or other services for issuers of the Collateral Debt Obligations. In addition, 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 investments (including 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.

No action has been or will be taken by the Issuer, the Placement Agent or the Retention Holder that would permit a public offering of the Notes or possession or distribution of this Prospectus or any other offering material in relation to the Notes in any jurisdiction where action for the purpose is required. No offers, sales or deliveries of any Notes, or distribution of this Prospectus or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Placement Agent.

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons or to U.S. Residents except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in the manner so as not to require the registration of the Issuer as an “investment company” pursuant to the Investment Company Act.

The Notes sold in reliance on Rule 144A will be issued in minimum denominations of €250,000 and integral multiples of €1,000 in excess thereof. Any offer or sale of Rule 144A Notes in reliance on Rule 144A will be made by broker dealers who are registered as such under the Exchange Act. After the Notes are released for sale, the offering price and other selling terms may from time to time be varied by the Placement Agent.



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

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the regulated 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 Notes which may be offered. This Prospectus does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Prospectus to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

## **General**

The Placement Agent shall comply with all applicable securities laws and regulations in jurisdictions in force known by it, or which reasonably should have been known by it, in any jurisdiction in which it purchases, offers, sells or delivers Notes or this Prospectus or any other offering material and will obtain any consents, approvals or permissions required by it for such purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject. This Prospectus does not constitute and may not be used for or in connection with any offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom such offer or solicitation is unlawful. The distribution of this Prospectus and the offering and sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer and the Placement Agent to inform themselves of and observe any such restrictions.

The Placement Agent has also agreed to comply with the following selling restrictions:

### ***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 Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ‘offer of the Notes to the public’ in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC of the European

Parliament and of the Council of 4 November 2003 (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

### ***Australia***

Neither this Prospectus nor any other prospectus or disclosure document (as defined in the Corporations Act 2001) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission. The Placement Agent has therefore represented and agreed that:

- (a) the Notes will not be offered or sold, directly or indirectly, in Australia, its territories or possessions, or to any resident of Australia, except by way of an offer or sale not required to be disclosed pursuant to Part 6D.2 or Part 7.9 of the Corporations Act; and
- (b) no recommendation to acquire, offer or invitation for issue or sale, offer or invitation to arrange the issue or sale, or issue or sale, has been or will be made to a 'retail client' (as defined in Section 761G of the Corporations Act and applicable regulations) in Australia. This Prospectus will only be provided to 'professional investors' as defined in the Corporations Act.

### ***Austria***

No Prospectus or prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (Kapitalmarktgesetz– KMG) (the “**KMG**”) as amended. Neither this Prospectus nor any other document connected therewith constitutes a prospectus according to the KMG and neither this Prospectus nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Placement Agent. No document pursuant to Directive 2003/71/EC has been or will be drawn up and approved in Austria and no document pursuant to Directive 2003/71/EC has been or will be passported into Austria as the Notes will be offered in Austria in reliance on an exemption from the document publication requirement under the KMG. The Placement Agent has represented and agreed that it will offer the Notes in Austria only in compliance with the provisions of the KMG, and Notes will therefore not be publicly offered or (re)sold in Austria without a document being published or an applicable exemption from such requirement being relied upon.

### ***Bahrain***

This Prospectus has not been approved by the Central Bank of Bahrain which takes no responsibility for its contents. The Placement Agent has represented and agreed that no offer to the public to purchase the Notes will be made in the Kingdom of Bahrain and this Prospectus is intended to be read by the addressee only and will not be passed to, issued to, or shown to the public generally.

### ***Belgium***

The offering of Notes has not been and will not be notified to the Belgian Financial Services and Markets Authority (*autoriteit voor financiële diensten en markten/autorité des services et marchés financiers*) nor has this Prospectus been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Notes may not be distributed in Belgium by way of an offer of the Notes to the public, as defined in Article 3, §1 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect, save in those circumstances (commonly called 'private placement') set out in Article 3 §2 of the Act of 16 June 2006 relating to public offers of investment instruments, as amended or replaced from time to time and taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect. This Prospectus will be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Notes. The Placement Agent has represented and agreed that it will not:

- (a) offer for sale, sell or market the Notes in Belgium otherwise than in conformity with the Act of 16 June 2006 taking into account the provisions of Directive 2010/73/EU that are sufficiently clear, precise and unconditional to be capable of vertical direct effect; and
- (b) offer for sale, sell or market the Notes to any person qualifying as a consumer within the meaning of Article 1.3 of the Law of 6 April 2010 on trade practices and consumer protection, as modified, otherwise than in conformity with such law and its implementing regulations.

### ***Canada***

The Notes have not been, and will not be, qualified for sale under the securities laws of any province or territory of Canada and may not be offered, sold or delivered, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of the securities laws of any province or territory of Canada.

The Placement Agent has represented and agreed that it has not and will not offer, sell or deliver Notes, directly or indirectly, in Canada or to or for the benefit of residents of Canada, in contravention of the securities laws of any province or territory of Canada. The Placement Agent agrees to furnish upon request a certificate stating that it has complied with the restrictions described in this paragraph.

### ***Cayman Islands***

The Placement Agent has represented and agreed that it will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

### ***Denmark***

The Placement Agent has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes to the public in Denmark unless in accordance with Chapter 6 or Chapter 12 of the Danish Notes Trading Act (Consolidated Act No. 883 of 9 August 2011, as amended from time to time) and the Danish Executive Order No. 223 of 10 March 2010 or the Danish Executive Order No. 222 of 10 March 2010, as amended from time to time, issued pursuant thereto.

For the purposes of this provision, an offer of the Notes in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***Finland***

For selling restrictions in respect of Finland, please see “*European Economic Area*” above.

### ***France***

Neither this Prospectus nor any other offering material relating to the Notes has been submitted to the clearance procedures of the Autorité des Marchés Financiers (“AMF”) or to the competent authority of another member state of the European Economic Area and subsequently notified to the AMF.

The Placement Agent has represented and agreed that:

- (a) the Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.
- (b) neither this Prospectus nor any other offering material relating to the Notes has been or will be:
  - (i) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
  - (ii) used in connection with any offer for subscription or sale of the Notes to the public in France.
- (c) such offers, sales and distributions will be made in France only:

- (i) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code Monétaire et Financier (“CMF”);
- (ii) to investment services providers authorised to engage in portfolio management on behalf of third parties; or
- (iii) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the Règlement Général of the AMF, does not constitute a public offer.

### **Germany**

The Notes will not be registered for public distribution in Germany. This Prospectus does not constitute a sales document pursuant to the German Capital Investment Act (*Vermögensanlagengesetz*). Accordingly, the Placement Agent has represented and agreed that no offer of the Notes will be made to the public in Germany. This Prospectus and any other document relating to the Notes, as well as information or statements contained therein, will not be supplied to the public in Germany or used in connection with any offer for subscription of the Notes to the public in Germany or any other means of public marketing.

### **Hong Kong**

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. The Placement Agent has therefore represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a ‘structured products’ as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to ‘professional investors’ as defined in the Securities and Futures Ordinance and any rules made under that ordinance (“professional investors”); or (b) in other circumstances which do not result in the document being a ‘prospectus’ as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance; and
- (b) It has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

### **Ireland**

The Placement Agent has represented to and agreed with the Issuer that:

- (a) it will not underwrite the issue of, or place the Notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or other enactments imposed or approved by the Central Bank, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place the Notes otherwise than in conformity with the provisions of the Central Bank Acts 1942 – 2014 and any codes of practice made under section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Companies Acts 1963-2013 and any rules issued under section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and

- (d) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

### ***Israel***

This Prospectus has not been approved by the Israeli Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute ‘an offer to the public’ under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the “**Securities Law**”).

The Placement Agent has represented and agreed that the Notes will be offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the “**Addendum**”) to the Securities Law, (“**Sophisticated Investors**”) namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing the Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing the Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing the Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing the Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing the Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholder’s equity in excess of NIS 50 million, and individuals in respect of whom the terms of item 9 in the Schedule to the Investment Advice Law hold true, investing for their own account, each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

### ***Italy***

The sale of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) and the Bank of Italy pursuant to Italian Securities Legislation and, accordingly, the Placement Agent has represented and agreed that no Notes will be offered, sold or delivered, nor will copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined under Article 34, paragraph 1, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation 11971/1999**”); or
- (b) in circumstances which are exempted from the rules on offers of notes to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 (“**Italian Financial Services Act**”) and Article 34, first paragraph, of Regulation 11971/1999.

The Placement Agent acknowledges that any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (a) and (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree no. 385 of 1 September 1993, as amended; and
- (b) in compliance with any other applicable laws and regulations.

Investors should also note that in accordance with Article 100-BIS of the Italian Financial Services Act, where no exemption under (b) above applies, any subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of notes to be made to the public provided under the Financial

Services Act and the regulation 11971/1999. Failure to comply with such rules may result, inter alia, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

### ***Japan***

The Notes have not been and will not be registered pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, the Placement Agent has represented and agreed that none of the Notes nor any interest therein will be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a 'Japanese person' means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### ***Monaco***

The Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the fund. Consequently, this Prospectus may only be communicated to banks duly licensed by the Autorité de Contrôle Prudentiel and fully licensed portfolio management companies by virtue of Law No. 1.144 of July 26, 1991 and Law 1.338 of September 7, 2007, duly licensed by the Commission de Contrôle des Activités Financières. Such regulated intermediaries may in turn communicate this Prospectus to potential investors.

### ***Netherlands***

The 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).

### ***New Zealand***

This offer of Notes does not constitute an 'offer of securities to the public' for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. The Placement Agent has therefore represented and agreed that the Notes will only be offered to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money in accordance with the Securities Act 1978 and the Securities Regulations 2009.

### ***Norway***

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

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in notes;
- (b) to professional investors as defined in Section 1 of Annex II to Directive 2004/29/EC (as implemented in Norway); or
- (c) in any other circumstances which do not require the publication by the Issuer or any other entity of a document pursuant to Article 3 of the Prospectus Directive.

For the purposes of the provision above, the expression an 'offer of notes to the public' in relation to any Notes in Norway means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the

same may be varied in Norway by any measure implementing the Prospectus Directive in Norway and the expression ‘Prospectus Directive’ means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in Norway.

### ***Portugal***

For selling restrictions in respect of Portugal, please see “*European Economic Area*” above and in addition:

The Placement Agent has agreed that:

- (a) no document, circular, advertisement or any offering material in relation to the Notes has been or will be subject to approval by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, the “**CMVM**”);
- (b) it has not, without the prior approval of the CMVM, directly or indirectly taken any action or offered, advertised, submitted to an investment gathering procedure, sold or delivered and will not, without the prior approval of the CMVM, directly or indirectly offer, advertise, submit to an investment gathering procedure, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code (*Código dos Valores Mobiliários*, the “**CVM**”);
- (c) it has not, directly or indirectly, distributed and will not, directly or indirectly, distributed to the public in the Republic of Portugal this Prospectus or any document, circular, advertisement or any offering material in relation to the Notes, without the prior approval of the CMVM; and
- (d) it will comply with all applicable provisions of the CVM and any applicable CMVM regulations and all relevant Portuguese laws and regulations, in any such case that may be applicable to it in respect of any offer or sales of Notes by it in the Republic of Portugal.

### ***Qatar***

The Placement Agent has represented and agreed that the Notes will only be offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes.

### ***Saudi Arabia***

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority.

### ***Singapore***

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Placement Agent has represented and agreed that the Notes will not be offered or sold or made the subject of an invitation for subscription or purchase, nor will this Prospectus or any other offering document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the “**SFA**”), (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1a) of the SFA, and in each case in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

‘securities’ (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person where the transfer arises from an offer referred to in Section 275(1a) or Section 276(4)(i)(b) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA.

### ***South Korea***

The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. The Placement Agent has therefore represented and agreed that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean Laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

### ***Spain***

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

### ***Sweden***

For selling restrictions in respect of Sweden, please see *European Economic Area*” above.

### ***Switzerland***

The Placement Agent acknowledges that this Prospectus is being distributed in or from Switzerland to a small number of selected investors only and that the Notes are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering materials relating to the Notes may be distributed in Switzerland in connection with any such public offering.

### ***Taiwan***

The Notes may be made available outside Taiwan for purchase by investors residing in Taiwan (either directly or through properly licensed Taiwan intermediaries acting on behalf of such investors) but may not be offered or sold in Taiwan.

### ***Turkey***

The offered Notes have not been and will not be registered with the Turkish Capital Market Board (the “CMB”) under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this Prospectus nor any other offering material related to the offering may be utilized in connection with any offering to the public within the Republic of Turkey without the prior approval of the CMB. However, according to Article 15(d)(ii) of the Decree No.32 on the Protection of the Value of Turkish Currency of the Central Bank of the Republic of Turkey there is no restriction on the purchase or sale of the offered Notes by residents of the Republic of Turkey, provided that:



they purchase or sell such offered Notes in the financial markets outside of the Republic of Turkey; and such sale and purchase is made through banks and/or licensed brokerage institutions in the Republic of Turkey.

#### ***United Arab Emirates***

This Prospectus, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates. The Placement Agent has therefore represented and agreed that the Notes are only being offered to a limited number of sophisticated investors in the UAE (a) who are willing and able to conduct an independent investigation of the risks involved in an investment in such Notes and (b) upon their specific request. The Notes have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

#### ***United Kingdom***

The Placement Agent has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 as amended (the "FSMA")) in connection with the issue or sale of any 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 FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## TRANSFER RESTRICTIONS

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

### Rule 144A Notes

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will or will be deemed to (as the case may be) have represented and agreed that such person acknowledges that this Prospectus is personal to it and does not constitute an offer to any 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 of Rule 144A Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed, and each purchaser of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

- (a) The purchaser (i) is a QIB/QP, (ii) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (iii) is acquiring such Notes for its own account or for the account of a QIB and QP 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 (iv) will provide notice of the transfer restrictions described herein to any subsequent transferees.
- (b) 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 (i)(x) to a person whom the purchaser reasonably believes is a QIB/QP purchasing for its own account or for the account of a QIB/QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (y) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (ii) 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 (b) shall be null and void ab initio.
- (c) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.
- (d) In connection with the purchase of the Rule 144A Notes: (i) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or any Agent is acting as a fiduciary or financial or investment advisor for the purchaser; (ii) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or any Agent other than in this Prospectus for such Notes and any representations expressly set forth in a written agreement with such party; (iii) none of the Issuer, the Placement Agent, the Trustee, the Collateral Manager or any Agent 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; (iv) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Placement Agent, the Trustee, the Collateral Manager or any Agent; (v) 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 (vi) the purchaser is a sophisticated investor.

- (e) 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: (i) 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); (ii) 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; (iii) 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 (iv) 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 that: (x) 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) 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) 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 (e) 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.
- (f) In respect of a purchase or transfer of a Class A Note, Class B Note, Class C Note or Class D Note, or any interest in such Note, (i) either (A) it is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding or disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other Plan, a non-exempt violation of any Other Plan Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.
- (g) In respect of a purchase or transfer of a Class E Note, Class F Note or Subordinated Note in the form of a Rule 144A Global Certificate, it will be deemed to represent, warrant and agree that (i) (A) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate (substantially in the form of Annex A (*Form of ERISA Certificate*)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and holds such

Note in the form of a Definitive Certificate and (B) (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (2) if it is a governmental, church, non-U.S. or other plan, (a) it is not, and for so long as it holds 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 Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Other Plan Law ("**Similar Law**") and (b) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.

- (h) In respect of a purchase or transfer of a Class E Note, Class F Note, or Subordinated Note in the form of a Rule 144A Definitive Certificate, it will be required to represent and warrant in writing to the Issuer that (i) (A) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate (substantially in the form of Annex A (Form of ERISA Certificate)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and holds such Note in the form of a Definitive Certificate and (B) (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (2) if it is a governmental, church, non-U.S. or other plan, (a) it is not, and for so long as it holds such Notes or interest therein will not be, subject to Similar Law and (b) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.
- (i) No transfer of an interest in the Class E Notes, the Class F Notes or the Subordinated Notes will be permitted or recognised if it would cause the 25 per cent. Limitation described above to be exceeded with respect to the Class E Notes, the Class F Notes or the Subordinated Notes.
- (j) In respect of a purchase or transfer of a CM Voting Note, or any interest in such Note, the purchaser or transferee understands that such Note carries a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions of the Notes.
- (k) In respect of a purchase or transfer of a CM Non-Voting Exchangeable Note or a CM Non-Voting Note, or any interest in such Note, the purchaser or transferee understands that such Note does not carry a right to vote with respect to matters concerning the Collateral Manager as set out in the Conditions of the Notes.
- (l) In respect of a purchase or transfer of a CM Non-Voting Note, the purchaser or transferee understands that such Note cannot be transferred or exchanged for a CM Non-Voting Exchangeable Note or a CM Voting Note at any time.
- (m) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Notes will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, and will bear the legend set forth below. The Rule 144A Notes may not at any time be held by or on behalf of, within the United States, persons, or outside the United States, U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Issuer with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES

FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-US PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT (“**U.S. RESIDENTS**”)) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR A REGULATION S DEFINITIVE CERTIFICATE. 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 OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE ISSUER.

*[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY]* [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (“**BENEFIT PLAN**

**INVESTOR**”), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (“**OTHER PLAN LAW**”), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

*[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND SUBORDINATED NOTES ONLY]* [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE] [CLASS F NOTE] [SUBORDINATED NOTE] WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER’S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**OTHER PLAN LAW**”). “**BENEFIT PLAN INVESTOR**” MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “**PLAN ASSETS**” BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN THE ENTITY. “**CONTROLLING**

**PERSON**” MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN **“AFFILIATE”** OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. **“CONTROL”** WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE] [CLASS F NOTE] [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 [CLASS E NOTE] [CLASS F NOTE] [SUBORDINATED NOTE], OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS [CLASS E NOTE] [CLASS F NOTE] [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 REPRESENT, IF IT IS NOT A UNITED STATES PERSON (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE), IT (I) IS NOT A BANK EXTENDING CREDIT PURSUANT TO A LOAN AGREEMENT IN THE ORDINARY COURSE OF ITS LENDING BUSINESS (WITHIN THE MEANING OF SECTION 881(C)(3)(A) OF THE CODE) OR (II) 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) HAS PROVIDED AN INTERNAL REVENUE SERVICE FORM W-8ECI REPRESENTING THAT ALL PAYMENTS RECEIVED OR TO BE RECEIVED BY IT FROM THE ISSUER ARE EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS IN THE UNITED STATES.

THE FAILURE TO PROVIDE THE ISSUER, THE REGISTRAR, THE TRANSFER AGENT OR 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 PERSON ACQUIRING THIS NOTE AGREES TO PROVIDE THE ISSUER ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER (OR ITS AGENT) IN ORDER TO PERMIT THE ISSUER TO ACHIEVE FATCA COMPLIANCE. IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER OR AN AGENT MAY PROVIDE SUCH INFORMATION AND ANY OTHER INFORMATION CONCERNING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE AND ANY OTHER APPLICABLE NON-U.S. TAXING AUTHORITY.

THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (1) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE REQUIREMENTS IN THE PARAGRAPH IMMEDIATELY ABOVE OR WHOSE HOLDING OTHERWISE PREVENTS THE ISSUER FROM COMPLYING WITH FATCA OR IF THE ISSUER OTHERWISE REASONABLY DETERMINES SUCH PURCHASER'S ACQUISITION OR HOLDING OF AN INTEREST IN SUCH A NOTE WOULD CAUSE THE ISSUER TO BE UNABLE TO ACHIEVE FATCA COMPLIANCE, TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (2) TO MAKE ANY AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO ACHIEVE FATCA COMPLIANCE. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE CONDITIONS, TO WITHHOLD 30 PER CENT. ON ALL PAYMENTS MADE TO ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE REQUIREMENTS IN THE PARAGRAPH IMMEDIATELY ABOVE.

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, IF IT OWNS MORE THAN 50% OF THE SUBORDINATED NOTES BY VALUE OR IS OTHERWISE TREATED AS A MEMBER OF THE ISSUER'S "**EXPANDED AFFILIATED GROUP**" (AS DEFINED IN TREASURY REGULATIONS SECTION 1.1471-5T(I) (OR ANY SUCCESSOR PROVISION)), IT WILL (A) CONFIRM THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP (ASSUMING THAT THE ISSUER IS A "PARTICIPATING FFI" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-1T(B)(91) (OR ANY SUCCESSOR PROVISION)) THAT IS TREATED AS A "**FOREIGN FINANCIAL INSTITUTION**" WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER IS EITHER A "PARTICIPATING FFI", A "REGISTERED DEEMED-COMPLIANT FFI" OR AN "EXEMPT BENEFICIAL OWNER" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4T(E) (OR ANY SUCCESSOR PROVISION), AND (B) PROMPTLY NOTIFY THE ISSUER IN THE EVENT THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP THAT IS TREATED AS A "FOREIGN FINANCIAL INSTITUTION" WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER IS NOT EITHER A "PARTICIPATING FFI", A "REGISTERED DEEMED-COMPLIANT FFI" OR AN "EXEMPT BENEFICIAL OWNER" WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4T(E) (OR ANY SUCCESSOR PROVISION), IN EACH CASE EXCEPT TO THE EXTENT THAT THE ISSUER OR ITS AGENTS HAVE PROVIDED SUCH BENEFICIAL OWNER WITH AN EXPRESS WAIVER OF THIS REQUIREMENT.

EACH HOLDER AND EACH BENEFICIAL OWNER OF A RATED NOTE, BY ACCEPTANCE OF SUCH RATED NOTE, OR ITS INTEREST IN A RATED NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH RATED 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.

[THE CLASS C NOTES] [THE CLASS D NOTES] [THE CLASS E NOTES] [AND THE CLASS F NOTES] WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”). THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY MAY BE OBTAINED BY CONTACTING THE ISSUER.]

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

[LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM 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 CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

[LEGEND TO BE INCLUDED IN RELATION TO CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES] EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT IF IT IS NOT A UNITED STATES PERSON (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE), IT IS NOT PURCHASING THE NOTES IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3.

- (n) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.
- (o) Each holder and beneficial owner of a Rule 144A Note, by acceptance of its Rule 144A Note or its interest in a Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Trustee, the Registrar or 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 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.
- (p) With respect to the Class E Notes, the Class F Notes and the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser is not purchasing the Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan within the meaning of U.S. Treasury Regulation Section 1.881-3.
- (q) With respect to the Class E Notes, the Class F Notes and the Subordinated Notes, if the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser either (i) is not a bank extending credit pursuant to a loan agreement in the ordinary course of its lending business (within the meaning of Section 881(c)(3)(A) of the Code) or (ii) 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) has provided an Internal Revenue Service Form W-8ECI representing that all payments received or to be received by it from the Issuer are effectively connected with the conduct of a trade or business in the United States.

- (r) The purchaser agrees to provide the Issuer any information reasonably requested and necessary (in the sole determination of the Issuer) for the Issuer (or its agent) in order to permit the Issuer to achieve FATCA Compliance. It understands and acknowledges that the Issuer or an agent may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service and any other applicable non-U.S. taxing authority.
- (s) Each beneficial owner of Subordinated Notes, if it owns more than 50% of the Subordinated Notes by value or is otherwise treated as a member of the Issuer's "expanded affiliated group" (as defined in Treasury regulations section 1.1471-5T(i) (or any successor provision)), represents that it will (A) confirm that any member of such expanded affiliated group (assuming that the Issuer is a "participating FFI" within the meaning of Treasury regulations section 1.1471-1T(b)(91) (or any successor provision)) that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), and (B) promptly notify the Issuer in the event that any member of such expanded affiliated group that is treated as a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code and any Treasury regulations promulgated thereunder is not either a "participating FFI", a "registered deemed-compliant FFI" or an "exempt beneficial owner" within the meaning of Treasury regulations section 1.1471-4T(e) (or any successor provision), in each case except to the extent that the Issuer or its agents have provided such beneficial owner with an express waiver of this requirement.
- (t) The purchaser understands and acknowledges that the Issuer has the right, under the Trust Deed, (1) to compel any beneficial owner of an interest in the Notes that fails to comply with the requirements of clause (r) above or whose holding prevents the Issuer from complying with FATCA or if the Issuer otherwise reasonably determines such purchaser's acquisition or holding of an interest in such a Note would cause the Issuer to be unable to achieve FATCA Compliance, to sell its interest in such Notes, or may sell such interest on behalf of such owner and (2) to make any amendments to the Trust Deed to enable the Issuer to achieve FATCA Compliance.
- (u) The purchaser understands and acknowledges that the Issuer has the right, under the Conditions, to withhold 30 per cent. on all payments made to any beneficial owner of an interest in the Notes that fails to comply with the requirements of clause (r) above.
- (v) No purchase or transfer of a Class E Note, a Class F Note or 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 certificates substantially in the form of Annex A hereto.
- (w) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Holder or Non-Permitted ERISA Holder to sell its interest in the Notes, or may sell such interest in its Notes on behalf of such Non-Permitted Holder or Non-Permitted ERISA Holder.
- (x) The purchaser acknowledges that the Issuer, the Placement Agent, the Trustee, the Collateral Manager and the Collateral Administrator and their agents and Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

## **Regulation S Notes**

Each purchaser of Regulation S Notes will be deemed to have made the representations set forth in clauses (d), (f) through (l) (inclusive) and (o) through (w) (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:

- (a) The purchaser is located outside the United States and is not a U.S. Person.
- (b) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Placement Agent and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB and QP in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
- (c) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) TO A NON-US PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, AND IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. NEITHER U.S. PERSONS NOR U.S. RESIDENTS (AS DETERMINED FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT (“**U.S. RESIDENTS**”)) MAY HOLD AN INTEREST IN A REGULATION S GLOBAL CERTIFICATE OR A REGULATION S DEFINITIVE CERTIFICATE. 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 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 ISSUER.

*[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES ONLY]* [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (“**BENEFIT PLAN INVESTOR**”), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (“**OTHER PLAN LAW**”), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY OTHER PLAN LAW, AND (II) IT WILL NOT SELL OR TRANSFER SUCH NOTES (OR INTERESTS THEREIN) TO AN ACQUIROR ACQUIRING SUCH NOTES (OR INTERESTS THEREIN) UNLESS THE ACQUIROR MAKES THE FOREGOING REPRESENTATIONS, WARRANTIES AND AGREEMENTS DESCRIBED IN CLAUSE (I) HEREOF. ANY PURPORTED TRANSFER OF THE NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.]

*[LEGEND TO BE INCLUDED IN RELATION TO THE CLASS E NOTES, THE CLASS F NOTES AND SUBORDINATED NOTES ONLY]* [EACH PURCHASER OR TRANSFEREE OF THIS [CLASS E NOTE] [CLASS F NOTE] [SUBORDINATED NOTE] WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”) OR SECTION 4975 OF THE INTERNAL

REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER’S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**OTHER PLAN LAW**”). “**BENEFIT PLAN INVESTOR**” MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE “**PLAN ASSETS**” BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN’S OR PLAN’S INVESTMENT IN THE ENTITY. “**CONTROLLING PERSON**” MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN “**AFFILIATE**” OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. “**CONTROL**” WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES] IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID AB INITIO AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH [CLASS E NOTES] [CLASS F NOTES] [SUBORDINATED NOTES] TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A [CLASS E NOTE] [CLASS F NOTE] [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 [CLASS E NOTE] [CLASS F NOTE] [SUBORDINATED NOTE], OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS [CLASS E NOTE] [CLASS F NOTE] [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 REPRESENT, IF IT IS NOT A UNITED STATES PERSON (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE), IT (I) IS NOT A BANK EXTENDING CREDIT PURSUANT TO A LOAN AGREEMENT IN THE ORDINARY COURSE OF ITS LENDING BUSINESS (WITHIN THE MEANING OF SECTION 881(C)(3)(A) OF THE CODE) OR (II) 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) HAS PROVIDED AN INTERNAL REVENUE SERVICE FORM W-8ECI REPRESENTING THAT ALL PAYMENTS RECEIVED OR TO BE RECEIVED BY IT FROM THE ISSUER ARE EFFECTIVELY CONNECTED WITH THE CONDUCT OF A TRADE OR BUSINESS IN THE UNITED STATES.]

THE FAILURE TO PROVIDE THE ISSUER, THE REGISTRAR, THE TRANSFER AGENT OR 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 PERSON ACQUIRING THIS NOTE AGREES TO PROVIDE THE ISSUER ANY INFORMATION REASONABLY REQUESTED AND NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER) FOR THE ISSUER (OR ITS AGENT) IN ORDER TO PERMIT THE ISSUER TO ACHIEVE FATCA COMPLIANCE. IT UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER OR AN AGENT MAY PROVIDE SUCH INFORMATION AND ANY OTHER INFORMATION CONCERNING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE AND ANY OTHER APPLICABLE NON-U.S. TAXING AUTHORITY.

THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, (1) TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE REQUIREMENTS IN THE PARAGRAPH IMMEDIATELY ABOVE OR WHOSE HOLDING OTHERWISE PREVENTS THE ISSUER FROM COMPLYING WITH FATCA OR IF THE ISSUER OTHERWISE REASONABLY DETERMINES SUCH PURCHASER’S ACQUISITION OR HOLDING OF AN INTEREST IN SUCH A NOTE WOULD CAUSE THE ISSUER TO BE UNABLE TO ACHIEVE FATCA COMPLIANCE, TO SELL ITS INTEREST IN SUCH NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER AND (2) TO MAKE ANY AMENDMENTS TO THE TRUST DEED TO ENABLE THE ISSUER TO ACHIEVE FATCA COMPLIANCE. THE PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT, UNDER THE CONDITIONS, TO WITHHOLD 30 PER CENT. ON ALL PAYMENTS MADE TO ANY BENEFICIAL OWNER OF AN INTEREST IN THE NOTES THAT FAILS TO COMPLY WITH THE REQUIREMENTS IN THE PARAGRAPH IMMEDIATELY ABOVE.

[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, IF IT OWNS MORE THAN 50% OF THE SUBORDINATED NOTES BY VALUE OR IS OTHERWISE TREATED AS A MEMBER OF THE ISSUER’S **“EXPANDED AFFILIATED GROUP”** (AS DEFINED IN TREASURY REGULATIONS SECTION 1.1471-5T(I) (OR ANY SUCCESSOR PROVISION)), IT WILL (A) CONFIRM THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP (ASSUMING THAT THE ISSUER IS A

“PARTICIPATING FFI” WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-1T(B)(91) (OR ANY SUCCESSOR PROVISION)) THAT IS TREATED AS A “FOREIGN FINANCIAL INSTITUTION” WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER IS EITHER A “PARTICIPATING FFI”, A “REGISTERED DEEMED-COMPLIANT FFI” OR AN “EXEMPT BENEFICIAL OWNER” WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4T(E) (OR ANY SUCCESSOR PROVISION), AND (B) PROMPTLY NOTIFY THE ISSUER IN THE EVENT THAT ANY MEMBER OF SUCH EXPANDED AFFILIATED GROUP THAT IS TREATED AS A “FOREIGN FINANCIAL INSTITUTION” WITHIN THE MEANING OF SECTION 1471(D)(4) OF THE CODE AND ANY TREASURY REGULATIONS PROMULGATED THEREUNDER IS NOT EITHER A “PARTICIPATING FFI”, A “REGISTERED DEEMED-COMPLIANT FFI” OR AN “EXEMPT BENEFICIAL OWNER” WITHIN THE MEANING OF TREASURY REGULATIONS SECTION 1.1471-4T(E) (OR ANY SUCCESSOR PROVISION), IN EACH CASE EXCEPT TO THE EXTENT THAT THE ISSUER OR ITS AGENTS HAVE PROVIDED SUCH BENEFICIAL OWNER WITH AN EXPRESS WAIVER OF THIS REQUIREMENT.]

EACH HOLDER AND EACH BENEFICIAL OWNER OF A RATED NOTE, BY ACCEPTANCE OF SUCH RATED NOTE, OR ITS INTEREST IN A RATED NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH RATED 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.

[THE CLASS C NOTES], [THE CLASS D NOTES], [THE CLASS E NOTES] [AND THE CLASS F NOTES] WILL BE ISSUED WITH ORIGINAL ISSUE DISCOUNT (“OID”). THE ISSUE PRICE, TOTAL AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY MAY BE OBTAINED BY CONTACTING THE ISSUER.]

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

*[LEGEND TO BE INCLUDED IN RELATION TO CLASS A NOTES, CLASS B NOTES, CLASS C NOTES AND CLASS D NOTES IN THE FORM OF CM 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 CM REMOVAL RESOLUTION OR A CM REPLACEMENT RESOLUTION.]

*[LEGEND TO BE INCLUDED IN RELATION TO CLASS E NOTES, CLASS F NOTES AND SUBORDINATED NOTES]* [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE ACKNOWLEDGED AND AGREED THAT IF IT IS NOT A UNITED STATES PERSON (AS DEFINED IN SECTION 7701(A)(30) OF THE CODE), IT IS NOT PURCHASING THE NOTES IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN WITHIN THE MEANING OF U.S. TREASURY REGULATION SECTION 1.881-3.]

- (d) The purchaser will be deemed to represent, warrant and agree that (i) (A) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provide an ERISA certificate (substantially in the form of Annex A (Form of ERISA Certificate)) to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and hold such Note in the form of a Definitive Certificate and (B) (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (2) if it is a governmental, church, non-U.S. or other plan, (a) it is not, and for so long as it holds such Notes or interest therein will not be, subject to any Similar Law and (b) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Other Plan Law and (ii) it will agree to certain transfer restrictions regarding its interest in such Notes.
- (e) The purchaser acknowledges that the Issuer, the Placement Agent, the Retention Holder, the Trustee, the Collateral Manager or the Collateral Administrator and their agents and Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (f) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons or U.S. Residents.
- (g) 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.



## **RULE 17G-5 COMPLIANCE**

The Issuer, in order to permit the Rating Agencies 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 the Rating Agencies, all information (which will not include any reports from the Issuer's independent public accountants) that the Issuer or other parties on its behalf, including the Trustee and the Collateral Manager, provide to the Rating Agencies for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes; provided, however, that, prior to the occurrence of a Note Event of Default, without the prior written consent of the Collateral Manager no party other than the Issuer, the Trustee or the Collateral Manager may provide information to the Rating Agencies on the Issuer’s behalf. On the Issue Date, the Issuer will engage The Bank of New York Mellon SA/NV, Dublin Branch, in accordance with the Collateral 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, the Rating Agencies, or any of its 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 Collateral Management Agreement, any transaction document relating thereto, the Portfolio or the Notes, will be in each case furnished directly to the Rating Agencies after a copy has been delivered to the Information Agent or the Issuer for posting to the Rule 17g-5 Website.

## GENERAL INFORMATION

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

	Regulation S		Rule 144A	
	Common Code	ISIN	Common Code	ISIN
Class A CM Voting Notes	114229881	XS1142298816	114230359	XS1142303590
Class A CM Non-Voting Exchangeable Notes	114230235	XS1142302352	114231177	XS1142311775
Class A CM Non-Voting Notes	114230057	XS1142300570	114231045	XS1142310454
Class B-1 CM Voting Notes	114231363	XS1142313631	114231835	XS1142318358
Class B-1 CM Non-Voting Exchangeable Notes	114231720	XS1142317202	114232491	XS1142324919
Class B-1 CM Non-Voting Notes	114231614	XS1142316147	114231932	XS1142319323
Class B-2 CM Voting Notes	114232602	XS1142326021	114232840	XS1142328407
Class B-2 CM Non-Voting Exchangeable Notes	114232777	XS1142327771	114233013	XS1142330130
Class B-2 CM Non-Voting Notes	114232696	XS1142326963	114232947	XS1142329470
Class C CM Voting Notes	114233137	XS1142331377	114233552	XS1142335527
Class C CM Non-Voting Exchangeable Notes	114233463	XS1142334637	114233919	XS1142339198
Class C CM Non-Voting Notes	114233242	XS1142332425	114233790	XS1142337903
Class D CM Voting Notes	114234001	XS1142340014	114234494	XS1142344941
Class D CM Non-Voting Exchangeable Notes	114234362	XS1142343620	114234702	XS1142347027
Class D CM Non-Voting Notes	114234214	XS1142342143	114234621	XS1142346219
Class E Notes	114234818	XS1142348181	114235130	XS1142351300
Class F Notes	114234915	XS1142349155	114235270	XS1142352704
Subordinated Notes	114235032	XS1142350328	114235407	XS1142354072

## **Listing**

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market. It is anticipated that listing will take place on or about the Issue Date. There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained.

## **Expenses in relation to Admission to Trading**

It is expected that the total expenses related to admission to trading will be approximately €17,500.

## **Consents and Authorisations**

The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes has been authorised by resolution of the Board of Directors of the Issuer passed on 9 December 2014.

## **No Significant or Material Change**

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 1 May 2014.

## **No Litigation**

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.

Since the date of its incorporation, other than entering into certain documentation which has now been terminated, without any net assets or liabilities for the Issuer relating to a transaction which did not proceed, the Issuer has not commenced operations other than in respect of entering into the Warehouse Arrangements in respect of the acquisition of certain assets to be comprised in the Portfolio on or prior to the Issue Date and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Transfer Agents during normal business hours. The first financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2014. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Note Event of Default or Potential Note Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

## **Documents Available**

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

- (a) The Memorandum and Articles of Association of the Issuer;
- (b) the Trust Deed (which includes the form of each Note of each Class);
- (c) the Agency Agreement;
- (d) the Collateral Management Agreement;
- (e) each Monthly Report;
- (f) each Payment Date Report;

- (g) the Retention Letter;
- (h) the Liquidity Facility Agreement;
- (i) the Euroclear Security Agreement;
- (j) the Interim Account Bank Agreement; and
- (k) the Master Definitions Agreement.

### **Enforceability of Judgments**

The Issuer is a private limited company incorporated under the laws of Ireland. None of the directors and officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons 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.

As the United States is not a party to a convention with Ireland in respect of the enforcement of judgments, common law rules apply in order to determine whether a judgment of the United States courts is enforceable in Ireland. A judgment of the United States courts will be enforced by the courts of Ireland if the following general requirements are satisfied:

- (a) the United States courts must have had jurisdiction in relation to the particular defendant according to Irish conflict of law rules (the submission to jurisdiction by the defendant would satisfy this rule); and
- (b) the judgment must be final and conclusive and the decree must be final and unalterable in the court which pronounces it. A judgment can be final and conclusive even if it is subject to appeal or even if an appeal is pending. Where, however, the effect of lodging an appeal under the applicable law is to stay execution of the judgment, it is possible that, in the meantime, the judgment should not be actionable in Ireland. It remains to be determined whether final judgment given in default of appearance is final and conclusive.

However, the Irish courts may refuse to enforce a judgment of the United States courts which meets the above requirements for one of the following reasons:

- (a) if the judgment is not for a definite sum of money;
- (b) if the judgment was obtained by fraud;
- (c) the enforcement of the judgment in Ireland would be contrary to natural or constitutional justice;
- (d) the judgment is contrary to Irish public policy or involves certain United States laws which will not be enforced in Ireland; or
- (e) jurisdiction cannot be obtained by the Irish courts over the judgment debtors in the enforcement proceedings by personal service in Ireland or outside Ireland under Order 11 of the Superior Courts Rules.

### **Foreign Language**

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

## GLOSSARY OF DEFINED TERMS

\$ .....	2	AIFs .....	37
€ .....	2, 115	AMF .....	327
25 per cent. Limitation.....	321	Annual Obligations .....	95
Acceleration Notice .....	91, 198	Anti Dilution Percentage .....	215
Account Bank .....	90	Apidos.....	230
Accounts .....	91	Applicable Exchange Rate.....	95
Accrual Period .....	91	Applicable Margin .....	95, 182
Accrued Collateral Debt Obligation Interest .....	91	Appointee.....	95
Addendum .....	329	<i>Arranger</i> .....	1, 16
Adjusted Aggregate Collateral Balance.....	92	Asset Swap Agreement.....	95
Adjusted Weighted Average Moody's Rating Factor .....	264	Asset Swap Counterparty.....	96
Administrative Expenses .....	92	Asset Swap Counterparty Principal Exchange Amount .....	96
Affected Collateral.....	174	Asset Swap Issuer Principal Exchange Amount ....	96
Affected CRR Investor .....	34	Asset Swap Obligation .....	96
Affected Investors.....	35	Asset Swap Replacement Payment.....	96
Affiliate.....	94	Asset Swap Replacement Receipt.....	96
Affiliated.....	94	Asset Swap Termination Payment.....	96
Agency Agreement .....	90	Asset Swap Termination Receipt.....	96
Agent .....	94	Asset Swap Transaction.....	96, 298
Agents.....	94	Assigned Moody's Rating .....	271
Aggregate Collateral Balance .....	94	Assignment .....	96
Aggregate Coupon .....	270	Authorised Denomination.....	96
Aggregate Excess Funded Spread.....	270	Authorised Integral Amount .....	96
Aggregate Funded Spread.....	269	Authorised Officer .....	97
Aggregate Industry Equivalent Unit Score .....	260	Available Commitment.....	97
Aggregate Principal Balance .....	95	Average Life .....	271
Aggregate Unfunded Spread.....	270	Average Principal Balance.....	260
AIFMD .....	35, 95	Balance .....	97
AIFMD Retention Requirements .....	95	Bank.....	240
AIFMs.....	35	Beneficial Owner .....	226

Benefit Plan Investor .....	97, 321	Class B-1 Notes .....	90
Bivariate Risk Table .....	97, 255	Class B-2 CM Non-Voting Exchangeable Notes...	99
BNY Mellon .....	240	Class B-2 CM Non-Voting Notes .....	99
Bridge Loan .....	97	Class B-2 CM Voting Notes .....	99
Business Day .....	97	Class B-2 Fixed Rate .....	182
Calculation Agent .....	90	Class B-2 Notes .....	90
CCC/Caa Excess .....	98	Class C CM Non-Voting Exchangeable Notes ....	100
CEA .....	38	Class C CM Non-Voting Notes .....	100
Central Bank .....	ii, 2	Class C CM Voting Notes .....	100
CFC.....	313	Class C Coverage Tests .....	99
CFR.....	271	Class C Floating Rate of Interest .....	181
CFTC .....	21, 38, 98	Class C Interest Coverage Ratio .....	99
CFTC Regulations .....	38	Class C Interest Coverage Test.....	100
Class .....	98	Class C Margin .....	182
Class A CM Non-Voting Exchangeable Notes.....	99	Class C Noteholders .....	100
Class A CM Non-Voting Notes .....	99	Class C Notes.....	90
Class A CM Voting Notes .....	99	Class C Par Value Ratio.....	100
Class A Floating Rate of Interest.....	180	Class C Par Value Test .....	100
Class A Margin .....	182	Class D CM Non-Voting Exchangeable Notes....	100
Class A Noteholders .....	99	Class D CM Non-Voting Notes .....	101
Class A Notes .....	90	Class D CM Voting Notes .....	101
Class A/B Coverage Tests .....	99	Class D Coverage Tests .....	100
Class A/B Interest Coverage Ratio .....	99	Class D Floating Rate of Interest .....	181
Class A/B Interest Coverage Test .....	99	Class D Interest Coverage Ratio.....	100
Class A/B Par Value Ratio.....	99	Class D Interest Coverage Test.....	100
Class A/B Par Value Test .....	99	Class D Margin.....	182
Class B Noteholders .....	99	Class D Noteholders .....	100
Class B Notes.....	90	Class D Notes .....	90
Class B-1 CM Non-Voting Exchangeable Notes...	99	Class D Par Value Ratio .....	100
Class B-1 CM Non-Voting Notes .....	99	Class D Par Value Test .....	100
Class B-1 CM Voting Notes .....	99	Class E Coverage Tests.....	101
Class B-1 Floating Rate of Interest.....	180	Class E Floating Rate of Interest .....	181
Class B-1 Margin .....	182	Class E Interest Coverage Ratio .....	101

Class E Interest Coverage Test .....	101	Collateral Enhancement Amount .....	102
Class E Margin .....	182	Collateral Enhancement Debt Obligation .....	103
Class E Noteholders.....	101	Collateral Enhancement Debt Obligation Proceeds .....	103
Class E Notes .....	90	Collateral Management Agreement .....	90, 284
Class E Par Value Ratio.....	101	Collateral Management Fee .....	103, 282
Class E Par Value Test.....	101	Collateral Manager .....	i, 90
Class F Floating Rate of Interest.....	181	Collateral Manager Advance .....	20, 73, 103
Class F Margin.....	182	Collateral Manager Event of Default.....	199
Class F Notes .....	90	Collateral Manager Related Persons .....	83
Class F Par Value Ratio .....	101	Collateral Quality Tests .....	103
Class of Noteholders.....	98	Collateral Sub Management Agreement.....	20
Class of Notes .....	98	Collateral Sub-Management Agreement.....	90, 284
clearing obligation .....	36	Collateral Tax Event .....	103
Clearing System Business Day .....	101, 223	Collection Account .....	104
Clearing Systems .....	225	COMI.....	46
Clearstream, Luxembourg .....	5, 101	Commitment .....	291
CLO .....	33	Commitment Amount .....	104
CLO Vehicles .....	81	Commitment Period.....	26
CM Non-Voting Exchangeable Notes .....	101	Commodity Pool.....	21
CM Non-Voting Notes .....	101	Companies Acts .....	229
CM Removal Resolution .....	102	Condition .....	16
CM Replacement Resolution .....	102	Conditions.....	90
CM Voting Notes.....	102	Conditions of the Notes .....	16
CMB .....	332	Contribution.....	50, 104, 147
CMF.....	328	Contributions Account.....	104
CMVM.....	331	Contributor.....	50, 104, 147
Code.....	60, 116	Controlling Class .....	104
Collateral .....	102	Controlling Person .....	105, 321
Collateral Acquisition Agreements.....	102	Corporate Rescue Loan.....	105
Collateral Administrator .....	90	Corporate Services Agreement .....	90
Collateral Debt Obligation.....	102	Corporate Services Provider .....	106
Collateral Debt Obligation Stated Maturity .....	102	Counterparty Downgrade Collateral .....	106
Collateral Enhancement Account .....	102		

Counterparty Downgrade Collateral Account.....	106	Deferred Subordinated Collateral Management Amounts.....	111, 152
Counterparty Downgrade Collateral Account Surplus .....	106, 165	Deferring Securities .....	111
Coverage Test .....	106	Deferring Security .....	111
Cov-Lite Loan.....	106	Definitive Certificate .....	111
CPO .....	38	Definitive Exchange Date .....	223
CRA3 .....	35	Delayed Drawdown Collateral Debt Obligation..	111
CRA3 Effective Date .....	35	Determination Date.....	111
CRA3 RTS.....	36	Direct Participants .....	225
Credit Impaired Obligation.....	106	Discount Obligation.....	111
Credit Impaired Obligation Criteria.....	106	Distribution.....	112
Credit Improved Obligation.....	107	Distributions .....	165
Credit Improved Obligation Criteria.....	107	Diversity Score .....	260
CRR .....	34, 108	Diversity Score Table .....	261
CRR Retention Requirements.....	108	Dodd-Frank Act .....	38, 112
Current Pay Obligation.....	108	Domicile .....	112
Custodian .....	90	Domiciled .....	112
Custody Account .....	109	Drawdown Date .....	112
CVC Capital Partners .....	230	DTC .....	56, 112
CVC Credit Partners .....	230	Due Period .....	112
CVC Group.....	230	Early Repayment Date .....	292
CVM .....	331	EBA .....	112
Debtor .....	105	ECJ .....	46
Declaration of Trust.....	229	Effective Date .....	21, 112
Defaulted Deferring Mezzanine Obligation.....	109	Effective Date Determination Requirements .....	112
Defaulted Hedge Termination Payment.....	109	Effective Date Moody's Condition .....	113
Defaulted Mezzanine Excess Amounts .....	109	Effective Date Rating Event .....	113
Defaulted Obligation .....	109	Effective Date Report .....	113, 241
Defaulted Obligation Excess Amounts.....	110	Effective Date Target Ratio .....	113
Deferred Interest .....	110, 180	EFSF.....	34
Deferred Interest Notes.....	309	EFSM.....	34
Deferred Senior Collateral Management Amount	150	Eligibility Criteria.....	113, 242
Deferred Senior Collateral Management Amounts .....	110	Eligible Bond Index.....	113



Eligible Investments .....	113	FATCA Compliance .....	116
Eligible Investments Minimum Rating .....	114	FATCA Compliance Costs .....	116
Eligible Loan Index .....	115	FCA .....	37
EMIR .....	36, 115	FCs.....	36
Enforcement Actions .....	201	Fee Basis Amount.....	116
Enforcement Agent.....	201	FFI .....	43
Enforcement Notice .....	202	Final Report .....	36
Enforcement Threshold.....	201	Final Technical Standards.....	34, 116
Enforcement Threshold Determination.....	201	Fitch .....	117
Equivalent Unit Score.....	260	Fitch CCC Obligations .....	117
ERISA.....	60, 115	Fitch Collateral Value.....	117
ERISA Plans .....	321	Fitch IDR Equivalent .....	276
ESMA .....	35, 115	Fitch Issuer Default Rating .....	275
<i>EUR</i> .....	2	Fitch LTSR .....	275
EURIBOR.....	42, 115, 181	Fitch Maximum Weighted Average Rating Factor Test.....	117, 265
<i>euro</i> .....	2, 115	Fitch Minimum Weighted Average Recovery Rate Test.....	266
<i>Euro</i> .....	2, 115	Fitch Rating .....	117, 275
Euro zone.....	115	Fitch Rating Factor .....	265
Euroclear.....	5, 115	Fitch Rating Mapping Table .....	276
Euroclear Account .....	56	Fitch Recovery Rate .....	117, 267
Euroclear Security Agreement.....	57, 115	Fitch Test Matrices .....	260
Euros.....	115	Fitch Tests Matrix.....	117
Excess CCC/Caa Adjustment Amount .....	116	Fitch Weighted Average Rating Factor .....	265
Excess Weighted Average Coupon.....	270	Fitch Weighted Average Recovery Rate.....	266
Excess Weighted Average Floating Spread.....	271	Fixed Rate Collateral Debt Obligation .....	117
Exchange Act.....	116	Fixed Rate Notes.....	117
Exchanged Global Certificate .....	223	flip clauses .....	40
Exchanged Security .....	116	Floating Rate Collateral Debt Obligation .....	117
excluded loan .....	69	Floating Rate Notes .....	117
<i>Exiting State(s)</i> .....	2	Floating Rate of Interest .....	117, 181
Expense Reserve Account .....	116	Form Approved Asset Swap .....	117, 297
Extraordinary Resolution.....	116	Form Approved Interest Rate Hedge .....	117, 297
FATCA .....	116		

FPO .....	2	Interest Account .....	119
FTT .....	42	Interest Amount .....	119, 182
Funded Amount .....	118	Interest Amounts .....	165
GBP .....	141	Interest Coverage Amount .....	119
Global Certificates .....	5	Interest Coverage Ratio .....	121
Goldman Sachs .....	87	Interest Coverage Test .....	121
Goldman Sachs Parties .....	63, 86	Interest Determination Date .....	121
Hedge Agreement .....	118	Interest Diversion Test .....	121
Hedge Agreement Eligibility Criteria .....	118	Interest Proceeds .....	121
Hedge Counterparty .....	118	Interest Proceeds Priority of Payments .....	121
Hedge Replacement Payment .....	118	Interest Rate Hedge Agreement .....	121
Hedge Replacement Receipt .....	118	Interest Rate Hedge Counterparty .....	121
Hedge Termination Account .....	118	Interest Rate Hedge Replacement Payment .....	121
Hedge Termination Payment .....	118	Interest Rate Hedge Replacement Receipt .....	121
Hedge Termination Receipt .....	118	Interest Rate Hedge Termination Payment .....	121
Hedge Transaction .....	118	Interest Rate Hedge Termination Receipt .....	122
hedging exemption .....	36	Interest Rate Hedge Transaction .....	122
High Yield Bond .....	118	Interest Reserve Account .....	121
holder .....	127	Interim Account Bank .....	91
Incentive Collateral Management Fee .....	118, 282	Interim Account Bank Agreement .....	91
Incentive Collateral Management Fee IRR Threshold .....	118	Interim Accounts .....	122
Incurrence Covenant .....	119	Interim Interest Account .....	122
Indirect Participants .....	225	Interim Principal Account .....	122
Industry Diversity Score .....	261	Intermediary Obligation .....	122
Information Agent .....	90, 349	Internal Revenue Service .....	122
Initial Drawdown .....	119	Investment Company Act .....	ii, 122
Initial Investment Period .....	21, 119	Ireland IGA .....	43
Initial Rating .....	119	Irish Stock Exchange .....	ii, 122
Initial Ratings .....	119	IRR .....	122
Initial Trading Plan Calculation Date .....	253	ISDA .....	122, 297
Insolvency Law .....	198	Issue Date .....	ii, 122
Insurance Financial Strength Rating .....	277	Issue Date Collateral Debt Obligation .....	122
		Issuer .....	2, i, 90

Issuer AIFM.....	37	Minimum Weighted Average Coupon.....	270
Issuer Irish Account.....	122	Minimum Weighted Average Coupon Test..	126, 270
Issuer Profit Amount.....	122	Minimum Weighted Average Floating Spread ....	268
Italian Financial Services Act .....	329	Minimum Weighted Average Recovery Rate .....	117
JFSC .....	3	Minimum Weighted Average Spread Test....	125, 268
KMG.....	326	Monthly Report.....	126, 285
lender liability.....	78	Moody's.....	126
Lending Activities .....	82	Moody's Caa Obligations .....	126
LIBOR .....	41	Moody's CFR .....	277
Liquidity Drawing .....	123	Moody's Collateral Value.....	126
Liquidity Facility .....	26, 123, 291	Moody's Default Probability Rating.....	272
Liquidity Facility Agreement.....	26, 90, 123, 291	Moody's Derived Rating .....	272
Liquidity Facility Commitment Fee Amounts .....	123	Moody's Long Term Issuer Rating.....	277
Liquidity Facility Commitment Period.....	123, 291	Moody's Maximum Weighted Average Rating Factor Test .....	126, 263
Liquidity Facility Commitment Period End Date 123, 291		Moody's Minimum Diversity Test .....	260
Liquidity Facility Event of Default.....	295	Moody's Minimum Weighted Average Recovery Rate Test .....	126
Liquidity Facility Interest Amounts.....	123	Moody's Minimum Weighted Average Recovery Rate Test .....	264
Liquidity Facility Provider.....	26, 123, 291	Moody's Rating .....	273
Liquidity Payment .....	123	Moody's Rating Factor .....	263
Lower-Tier PFICs .....	314	Moody's Recovery Rate .....	264
Maintenance Covenant .....	123	Moody's Senior Secured Floating Rate Note .....	275
Mandatory Redemption .....	123	Moody's Senior Secured Loan .....	274
Margin Stock .....	123	Moody's Test Matrix .....	259
Market Sellers.....	238	Moody's Weighted Average Rating Factor .....	263
Market Value .....	123	Moody's Weighted Average Recovery Adjustment .....	264
Master Definitions Agreement.....	90	Moody's/S&P Corporate Issue Rating.....	277
Maturity Amendment.....	125	Netting Agreement.....	238
Maturity Date.....	125	NFCs.....	36
Measurement Date .....	125	Non-Call Period .....	19, 126
Mezzanine Obligation.....	125	Non-Eligible Issue Date Collateral Debt Obligation .....	126, 247
Minimum Denomination.....	125		
Minimum Diversity Test.....	126		

Non-Emerging Market Country .....	126	Participating Member States .....	42
Non-Euro Hedge Account .....	127	Participation .....	129
Non-Euro Obligation .....	127	Participation Agreement .....	129
Non-Permitted ERISA Holder .....	147	Parties in Interest .....	321
Non-Permitted Holder .....	60, 89, 146	Party in Interest .....	321
Non-Reporting Irish Financial Institution .....	43	Paying Agent .....	129
non-U.S. Holder .....	307	Payment Account .....	129
Note Downgrade Event .....	292	Payment Date .....	129
Note Event of Default .....	127, 196	Payment Date Report .....	129, 288
Note Payment Sequence .....	127	Permitted Use .....	129
Note Tax Event .....	127	Person .....	130
Noteholders .....	127	PFIC .....	311
Notes .....	i, 90	PIK Obligation .....	130
NRSRO .....	55	Placement Agent .....	ii, 324
Obligor .....	128	Placement Agreement .....	90, 130
Obligor Principal Balance .....	260	Plan Asset Regulation .....	321
Offer .....	128	Plans .....	60, 321
Offering .....	5	Portfolio .....	130
OID .....	309	Portfolio Company .....	130
Ongoing Expense Excess Amount .....	128	Portfolio Profile Tests .....	130
Ongoing Expense Reserve Amount .....	128	Post-Acceleration Priority of Payments .....	130, 202
Ongoing Expense Reserve Ceiling .....	128	Prefunded Commitment .....	130
Optional Redemption .....	128	Prefunded Commitment Account .....	130
Ordinary Resolution .....	128	Prefunded Commitment Request .....	293
Original Obligation .....	142	Prefunded Commitment Utilisation .....	130, 293
OTC .....	36	Presentation Date .....	130
Other Funds .....	81	Primary Market .....	130
Other Plan Law .....	128, 322, 335	Principal Account .....	130
Outstanding .....	128	Principal Amount Outstanding .....	131
Par Value Ratio .....	128	Principal Balance .....	131
Par Value Test .....	129	Principal Paying Agent .....	90
Partial PIK Obligation .....	129	Principal Proceeds .....	132
Participants .....	225	Principal Proceeds Priority of Payments .....	132

Priorities of Payments .....	132	Redemption Notice .....	135
Proceedings .....	217	Redemption Price.....	135
Project Finance Loan .....	132	Redemption Threshold Amount.....	135
Proposed Benchmark Regulation.....	42	Reference Banks .....	135, 181
Proposed Collateral Debt Obligation .....	132	Refinancing.....	135, 186
Prospectus .....	16	Refinancing Costs .....	135
Prospectus Directive .....	ii, 325	Refinancing Obligation.....	186
Prospectus Regulations .....	ii	Refinancing Proceeds .....	135
Purchased Accrued Interest .....	133	Register .....	135
QBUs .....	306	Registrar.....	90
QEF.....	308	Regulation 11971/1999.....	329
QIB .....	133	Regulation S .....	ii, 5, 135
QIB/QP .....	133	Regulation S Definitive Certificate.....	5
QIBs.....	4	Regulation S Definitive Certificates .....	5
QP .....	133	Regulation S Global Certificate .....	5
QPs .....	4	Regulation S Global Certificates .....	5
qualified portion.....	313	Regulation S Notes .....	5, 135
Qualified Purchaser .....	133	Regulations .....	306
Qualifying Country .....	133	Reinvestment Criteria .....	135, 249
Qualifying Currency .....	133	Reinvestment Period.....	135
Qualifying Unhedged Obligation Currency .....	133	Reinvestment Target Par Amount.....	136
quoted Eurobonds .....	303	Relevant Implementation Date .....	325, 330
Rated Notes.....	i, 90, 133	Relevant Member State.....	325
Rating Agencies.....	133	<i>relevant persons</i> .....	2
Rating Agency .....	133	Renewal Request .....	293
Rating Agency Confirmation.....	133	Repayment Date.....	292
Rating Confirmation Plan .....	134	Replacement Asset Swap Transaction .....	136
Rating Requirement.....	134	Replacement Interest Rate Hedge Transaction ....	136
Recalcitrant Noteholder .....	134	Replacement Liquidity Facility .....	136
Receiver .....	134, 198	Replacement Rating Agency .....	133
Record Date .....	134	Report .....	136
Redemption Date .....	134	Reportable Territory .....	305
Redemption Determination Date .....	135, 189	Reporting Delegate .....	136, 302

Reporting Delegation Agreement .....	136, 302	Sale Proceeds .....	138
reporting obligation .....	36	Sanctions .....	138
Repurchased Notes .....	50	Sanctions Authority .....	138
Required Diversion Amount .....	26, 152	Sanctions List .....	139
Required Percentage .....	136	Scheduled Periodic Asset Swap Counterparty Payment .....	139
Requirements .....	43	Scheduled Periodic Asset Swap Issuer Payment ..	139
Resolution .....	136	Scheduled Periodic Interest Rate Hedge Counterparty Payment .....	139
Restricted Party .....	136	Scheduled Periodic Interest Rate Hedge Issuer Payment .....	139
Restricted Trading Period .....	136	Scheduled Principal Proceeds .....	139
Restructured Obligation .....	137	SEC .....	88
Restructured Obligation Criteria .....	137, 245	Second Lien Loan .....	139
Restructuring Date .....	137	Section 110 .....	303
Retention Event .....	137	Secured Parties .....	139
Retention Financer .....	84	Secured Party .....	139
Retention Holder .....	137	Secured Senior RCF Percentage .....	139
Retention Letter .....	137	Securities Act .....	ii, 139
Retention Notes .....	137, 237	Securities Law .....	329
Retention Requirements .....	137	Selling Institution .....	139
Return Amounts .....	164	Semi-Annual Obligations .....	140
Revolver Reserve Commitment .....	167	Senior Collateral Management Fee .....	140, 282
Revolving Obligation .....	137	Senior Expenses Cap .....	140
risk mitigation obligation .....	36	Senior Loan .....	140
Rule 144A .....	ii, 4, 138	Senior Secured Bond .....	140
Rule 144A Definitive Certificate .....	4	Senior Secured Loan .....	140
Rule 144A Definitive Certificates .....	5	Senior Unsecured Obligation .....	141
Rule 144A Global Certificate .....	4	SFA .....	331
Rule 144A Global Certificates .....	4	Share Trustee .....	229
Rule 144A Notes .....	4, 138	Shares .....	229
Rule 17g-5 .....	138, 349	shortfall .....	175
Rule 17g-5 Website .....	349	Similar Law .....	141, 323, 336
S&P .....	138	Solvency II .....	141
S&P Issuer Credit Rating .....	138, 277		
S&P Rating .....	138, 277		

Sophisticated Investors .....	329	Transfer Agents .....	90
Special Redemption .....	141, 191	Trust Collateral .....	174
Special Redemption Amount .....	141, 192	Trust Deed .....	ii, 90
Special Redemption Date .....	141, 192	Trustee .....	ii, 90
Spot Rate .....	141	Trustee Fees and Expenses .....	143
SSPE Exemption .....	37	U.S. business .....	308
Step-Down Coupon Security .....	141	<i>U.S. Dollar</i> .....	2
Step-Up Coupon Security .....	141	U.S. Dollars .....	144
Sterling .....	141	U.S. Holder .....	306
Structured Finance Security .....	141	U.S. Investment Restrictions .....	144
Sub-Manager .....	90, 284	U.S. person .....	144
Sub-Manager Services Fee .....	20	U.S. Person .....	60, 144
Subordinated Collateral Management Fee ....	142, 282	U.S. Persons .....	ii
Subordinated Noteholders .....	142	U.S. Residents .....	5
Subordinated Notes .....	90	U.S.\$ .....	144
Sub-Register .....	145	UBTI .....	316
Sub-Registrar .....	90, 142	UCITS Directive .....	35
Subsequent Drawdown .....	142	Unanimous Resolution .....	143
Substitute Collateral Debt Obligation .....	142	Underlying Instrument .....	143
Successor Criteria .....	282	Unfunded Amount .....	143
Swap Tax Credit .....	142	Unfunded Revolver Reserve Account .....	143
Swapped Non-Discount Obligation .....	142	Unhedged Aggregate Principal Balance .....	144
Synthetic Security .....	143	Unhedged Collateral Debt Obligation .....	144
Target Par Amount .....	143	Unhedged Fixed Rate Collateral Debt Obligation .....	144
TARGET2 .....	143	Unhedged Principal Balance .....	144
Tax-Exempt U.S. Holders .....	316	Unsaleable Asset .....	144
TCA .....	114	Unscheduled Principal Proceeds .....	144
Third Party Exposure .....	255	Unused Proceeds Account .....	144
Third Party Indemnity Receipts .....	143, 170	<i>US dollar</i> .....	2
Trading Plan .....	253	<i>US Dollar</i> .....	2
Trading Plan Period .....	253	<i>USD</i> .....	2
Transaction Documents .....	143	Volcker Rule .....	4, 39
Transfer Agent .....	90	Warehouse Arrangements .....	63, 144

Warehouse Period.....	63	Weighted Average Life.....	144, 271
Warehoused Asset .....	63	Weighted Average Life Test.....	144, 271
Warehoused Assets.....	63	Weighted Average Moody's Recovery Rate .....	264
Weighted Average Coupon.....	270	Written Resolution.....	145
Weighted Average Floating Spread.....	268	Zero Coupon Obligation .....	145



## ANNEX A

### Form of ERISA Certificate

The purpose of this ERISA Certificate (this “**Certificate**”) is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes] issued by CVC Cordatus Loan Fund IV Limited (the “**Issuer**”) is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986 (the “**Code**”) or (c) any entity whose underlying assets include “plan assets” by reason of any such employee benefit plan’s or plan’s investment in the entity (collectively, “**Benefit Plan Investors**”), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding or disposition of the [Class E Notes] [Class F Notes] [the Subordinated Notes]. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are agreeing that the applicable Section does not, and will not, apply to you.

1. ☐ Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a “plan” within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or “IRAs” and “Keogh” plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include “plan assets” by reason of a Benefit Plan Investor’s investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the 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 total value of the [Class E Notes] [Class F Notes] [Subordinated Notes], 100 per cent. of the assets of the entity or fund will be treated as “plan assets.”

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any questions regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ Insurance Company General Account. We, or the entity on whose behalf we are acting, are an insurance company purchasing the [Class E Notes] [Class F Notes] [Subordinated Notes] with funds from our or their general account (i.e., the insurance company’s corporate investment portfolio), whose assets, in whole or in part, constitute “plan assets” under Section 401(a) of ERISA for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the “**Plan Asset Regulations**”).

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute “plan assets” under Section 401(a) of ERISA for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: \_\_\_\_ per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply.** We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

5. **No Prohibited Transaction.** If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

6. **Not 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 Collateral Manager (or other persons responsible for the investment and operation of the Issuer’s assets) to laws or regulations that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the [Class E Notes] [Class F Notes] [Subordinated Notes] do not and will not constitute or result in a non-exempt violation of any law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person.** We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any “affiliate” of any of the above persons. “Affiliate” shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a “Controlling Person.”

**Note:** We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes] (determined separately by class), the [Class E Notes] [Class F Notes] [Subordinated Notes] held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. **Compelled Disposition.** We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25 per cent. Limitation, the Issuer shall, promptly after such discovery, send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 10 days after the date of such notice;

(ii) if we fail to transfer our [Class E Notes] [Class F Notes] [Subordinated Notes], the Issuer shall have the right, without further notice to us, to sell our [Class E Notes] [Class F Notes] [Subordinated Notes] or our interest in the [Class E Notes] [Class F Notes] [Subordinated Notes] to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the [Class E Notes] [Class F Notes] [Subordinated Notes] and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in the [Class E Notes] [Class F Notes] [Subordinated Notes], we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

9. **Required Notification and Agreement.** We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the [Class E Notes] [Class F Notes] [Subordinated Notes] to a Benefit Plan Investor or Controlling Person and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of [Class E Notes] [Class F Notes] [Subordinated Notes] owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such [Class E Notes] [Class F Notes] [Subordinated Notes] in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such [Class E Notes] [Class F Notes] [Subordinated Notes] (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. **Continuing Representation; Reliance.** We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the [Class E Notes] [Class F Notes] [Subordinated Notes]. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the total value of the [Class E Notes] [Class F Notes] [Subordinated Notes] (determined separately by class) upon any subsequent transfer of the [Class E Notes] [Class F Notes] [Subordinated Notes] in accordance with the Trust Deed.

11. **Further Acknowledgement and Agreement.** We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, the Initial Purchaser and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, the Initial Purchaser, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of the [Class E Notes] [Class F Notes] [Subordinated Notes] by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

12. **Future Transfer Requirements.**

**Transferee Letter and its Delivery.** We acknowledge and agree that we may not transfer any [Class E Notes] [Class F Notes] [Subordinated Notes] to a Benefit Plan Investor or Controlling 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 Registrar is as follows:

[to be provided].

**IN WITNESS WHEREOF**, the undersigned has duly executed and delivered this Certificate.

\_\_\_\_\_ [Insert Purchaser's Name]

By:

Name:

Title:

Dated:

This Certificate relates to EUR\_\_\_\_\_ of [Class E Notes] [Class F Notes] [Subordinated Notes]

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