NOTICE

You must read the following disclaimer before continuing

THIS DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE TRANSMITTED INTO OR DISTRIBUTED WITHIN THE UNITED STATES TO ANY PERSON UNLESS SUCH PERSON IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" ("**QIB**") (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**")) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT AND A "QUALIFIED PURCHASER" ("**QP**" AS DEFINED IN SECTION 2(a)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") AND THE RULES AND REGULATIONS THEREUNDER, IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A).

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

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

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

The document and any information contained herein shall remain our property and in sending the document to you, no rights (including any intellectual property rights) over the document and the information contained therein have been given to you. We specifically prohibit the redistribution of the document and accept no liability whatsoever for the actions of third parties in this respect.

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

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

The document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of North Westerly CLO IV 2013 B.V., The Royal Bank of Scotland plc, NIBC Bank N.V., U.S. Bank National Association, U.S. Bank Trustees Limited nor Elavon Financial Services Limited (or any person who controls any of them or any director, officer, employee or agent of any of them, or any Affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from us.

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NORTH WESTERLY CLO IV 2013 B.V.
(a private company with limited liability incorporated under the laws of The Netherlands, having its statutory seat in Amsterdam)

€161,000,000 Class A-1 Senior Secured Floating Rate Notes due 2026
€16,000,000 Class A-2 Senior Secured Fixed Rate Notes due 2026
€27,000,000 Class B-1 Senior Secured Floating Rate Notes due 2026
€10,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2026
€17,500,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026
€16,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2026
€21,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2026
€37,500,000 Subordinated Notes due 2026

The assets securing the Notes (as defined below) will consist of a portfolio of primarily Senior Obligations and Mezzanine Obligations managed by NIBC Bank N.V. (the "**Collateral Manager**").

North Westerly CLO IV 2013 B.V. (the "**Issuer**") will issue the Class A-1 Notes, the Class A-2 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 Subordinated Notes (each as defined herein).

The Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, Class D Notes and the Class E Notes (such Classes, the "**Rated Notes**") together with the Subordinated Notes are collectively referred to herein as the "**Notes**". The Notes will be issued and secured pursuant to a trust deed (the "**Trust Deed**") dated on or about 19 December 2013 (the "**Issue Date**"), made between (amongst others) the Issuer and U.S. Bank Trustees Limited, in its capacity as trustee (the "**Trustee**").

Interest on the Notes will be payable semi-annually in arrears on 15 January and 15 July of each year (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 15 July 2014 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, 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 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 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**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC (as amended) (the "**Markets in Financial Instruments Directive**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the 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 Offering Circular comprises a "prospectus" for the purposes of Article 5.4 of the Prospectus Directive.

The Notes are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral (as defined herein). The net proceeds of the realisation of the security over the Collateral upon acceleration of the Notes following an Event of Default (as defined herein) may be insufficient to pay all amounts due on the Notes after making payments to other creditors of the Issuer ranking prior thereto or *pari passu* therewith. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets (including the Issuer Dutch Account and the rights of the Issuer under the Issuer Management Agreements (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, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be offered only: (a) outside the United States to non-U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")); and (b) within the United States to persons and outside

the United States to U.S. Persons (as such term is defined in Regulation S ("**U.S. Persons**")), in each case, who are both qualified institutional buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A under the Securities Act and qualified purchasers as defined in Section 2(a)(51)(A) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the rules and regulations thereunder. The Issuer will not be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer, and each purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Plan of Distribution*" and "*Transfer Restrictions*".

The Notes are being offered by the Issuer through The Royal Bank of Scotland plc (the "**Lead Arranger**") and NIBC Bank N.V. (the "**Co-Arranger**" and together with the Lead Arranger the "**Arrangers**", or together in their capacity as Joint Lead Managers the "**Joint Lead Managers**")) subject to prior sale, when, as and if delivered to and accepted by the Joint Lead Managers, and to certain conditions. It is expected that delivery of the Notes will be made on or about the Issue Date. The Notes are being offered hereby by each of The Royal Bank of Scotland plc and NIBC Bank N.V. (in their capacity as Joint Lead Managers) outside the United States to non-U.S. Persons in reliance on Regulation S. The Notes are being offered hereby by The Royal Bank of Scotland plc (in its capacity as a Joint Lead Manager) to persons in the United States and outside the United States to U.S. Persons, in each case, who are both QIBs and QPs. See "Plan of Distribution". The Joint Lead Managers expect to deliver the Notes to purchasers on or about 19 December 2013. The Joint Lead Managers shall on a several, not joint, basis underwrite the Notes and may sell any of the Notes to subsequent purchasers in individually negotiated transactions at prices other than the initial issue price set out above.

The Royal Bank of Scotland
Lead Arranger, Joint Lead Manager
and Bookrunner

NIBC Bank N.V.
Co-Arranger and Joint
Lead Manager

The date of this Offering Circular is 18 December 2013

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

None of the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee and the Collateral Manager (save in respect of the sections headed "Risk Factors – Conflicts of Interest – Certain Conflicts of Interest Involving or Relating to NIBC Bank N.V. and its Affiliates" and "Description of the Collateral Manager"), the Collateral Administrator (save in respect of the section headed "Description of the Collateral Administrator"), any Agent, any Hedge Counterparty or any other party has separately verified the information contained in this Offering Circular and, accordingly, none of the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Manager (save as specified above) the Collateral Administrator (save as specified above), any Agent, any Hedge Counterparty, or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Circular or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the 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 Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Manager, the Collateral Administrator, any Agent, any Hedge Counterparty (in each case other than as specified above) or any other party (save for the Issuer as specified above) accepts any responsibility for the accuracy or completeness of any information contained in this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Arrangers, the Joint Lead Managers, the Bookrunner, the Collateral Manager, the Collateral Administrator or any other person to subscribe for or purchase any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Arrangers, the Joint Lead Managers and the Bookrunner to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Offering Circular is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Offering Circular in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer (all such persons together being referred to as "relevant persons"). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Circular, 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 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 Arranger, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Manager or the Collateral Administrator. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

*In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Euro", "euro", "€" and "EUR" are to the lawful currency of the Member States of the European Union that have adopted and retain the single currency in accordance with the Treaty 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 and any reference to "GBP" and "Sterling" shall mean the lawful currency of the United Kingdom.*

Each of Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited are established in the EU and are registered under Regulation (EC) No 1060/2009.

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

In connection with the issue of the Notes, no stabilisation will take place and none of the Arrangers, Joint Lead Managers and Bookrunner will 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.

RETENTION REQUIREMENTS

Subject to and as further described in "*Description of the Collateral Management and Administration Agreement – Retention*", in accordance with the Retention Requirements, the Collateral Manager will undertake pursuant to the Collateral Management and Administration Agreement that: (a) on the Issue Date it will subscribe for and hold on an ongoing basis for so long as any Class of Notes remains Outstanding, Subordinated Notes with an initial principal amount representing no less than 5 per cent. of the Maximum Par Amount (the "**Retention Notes**"), (b) it will not sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes (except to the extent permitted in accordance with the Retention Requirements), (c) subject to any regulatory requirements, it agrees (i) to take such further reasonable action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, and to the extent the same is not subject to a duty of confidentiality, at any time prior to maturity of the Rated Notes, (iii) to confirm, promptly upon the request of the Trustee, the Joint Lead Managers, the Arrangers, the Bookrunner, the Collateral Administrator or Issuer, its continued compliance with the covenants set out at paragraphs (a) and (b) above, and (iv) that it shall promptly notify the Issuer if for any reason it ceases to hold the Retention Notes in accordance with (a) above or fails to comply with the covenants set out in (a) or (b) in any material way.

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 similar retention requirements. None of the Issuer, the Collateral Manager, the Arrangers, the Joint Lead Managers, the Bookrunner, the Collateral Administrator, the Trustee, their respective Affiliates or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy or otherwise comply with the Retention Requirements, the implementing provisions in respect of the Retention Requirements in their relevant jurisdiction or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is an Affected Investor (as defined in "*Risk Factors - Regulatory Initiatives*" below) 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 to comply with the Retention Requirements or any similar requirements of which it is uncertain. See "Risk Factors – *Regulatory Initiatives*".

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

Information as to placement within the United States

The Rule 144A Notes of each Class (the "**Rule 144A Notes**") will be sold only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) ("**QIBs**") that are also "qualified purchasers" as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act and the rules and regulations thereunder ("**QPs**") (such persons who are both QIBs and QPs, "**QIB/QPs**"). Rule 144A Notes of each Class will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**") or in some cases definitive certificates (each a "**Rule 144A Definitive Certificate**" and together the "**Rule 144A Definitive Certificates**"), in each case in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear system ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or in the case of Rule 144A Definitive Certificates, the registered holder thereof. The Regulation S Notes of each Class (the "**Regulation S Notes**") sold outside the United States to non-U.S. Persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will each be represented on issue by beneficial interests in one or more permanent global certificates of such Class (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"), or in some cases by definitive certificates of such Class (each a "**Regulation S Definitive Certificate**" and together, the "**Regulation S Definitive Certificates**") in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or, in the case of Regulation S Definitive Certificates, the registered holder thereof. Neither U.S. Persons nor U.S. residents (as determined for the purposes of the Investment Company Act) ("**U.S. Residents**") may hold an interest in a Regulation S Global Certificate or a Regulation S Definitive Certificate. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates (together, the "**Global Certificates**") will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive certificated form will be issued only in limited circumstances. In each case, purchasers and transferees of notes will be deemed and in certain circumstances will be required to have made certain representations and agreements. See "*Form of the Notes*", "*Book Entry Clearance Procedures*", "*Plan of Distribution*" and "*Transfer Restrictions*" below.

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

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

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). The Issuer, the Bookrunner and each Arranger and Joint Lead Manager 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 Offering Circular is personal to each offeree to whom it has been delivered by the Issuer, the Arrangers, the Joint Lead Managers, the Bookrunner 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 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.

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE SECURITIES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTWITHSTANDING ANYTHING IN THIS 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 SECURITIES AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. FOR THESE PURPOSES, THE TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES MEANS THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES. IN ADDITION, THE TAX STRUCTURE OF AN INVESTMENT IN THE SECURITIES INCLUDES ANY FACT THAT MAY BE RELEVANT TO UNDERSTANDING THE PURPORTED OR CLAIMED U.S. FEDERAL INCOME TAX TREATMENT OF AN INVESTMENT IN THE SECURITIES.

Available Information

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

General Notice

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

THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY 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.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, as amended. Such statements appear in a number of places in this Offering Circular, including, but not limited to, under the caption "*Risk Factors*". These forward-looking statements can be identified by the use of forward-looking terminology, such as the words "expects", "may", "intends", "should" or "anticipates", or the negative or other variations of those terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, the Issuer or the Portfolio to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others, general economic and business conditions, currency exchange and interest rate fluctuations, governmental, statutory, regulatory or administrative initiatives affecting the Issuer or the Collateral Manager and other factors that may be referred to in this Offering Circular. Some of the most significant of these risks, uncertainties and other factors are discussed under the caption "*Risk Factors*", and you are encouraged to carefully consider those factors prior to making an investment decision.

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OVERVIEW

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

Issuer

North Westerly CLO IV 2013 B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands.

Collateral Manager

NIBC Bank N.V.

Trustee

U.S. Bank Trustees Limited.

Arrangers and **Joint Lead Managers**

The Royal Bank of Scotland plc and NIBC Bank N.V.

Bookrunner

The Royal Bank of Scotland plc

Collateral Administrator

Elavon Financial Services Limited

Notes

Class of Notes	Principal Amount	Stated Interest Rate[1]	S&P Ratings of at least[2]	Fitch Ratings of at least[2]	Maturity Date	Initial Offer Price[3]
A-1	€161,000,000	6 month EURIBOR + 1.45%	"AAA(sf)"	"AAAsf"	15 January 2026	99.746%
A-2	€16,000,000	2.80%	"AAA(sf)"	"AAAsf"	15 January 2026	100.00%
B-1	€27,000,000	6 month EURIBOR + 2.10%	"AA(sf)"	"AAsf"	15 January 2026	100.00%
B-2	€10,000,000	3.65%	"AA(sf)"	"AAsf"	15 January 2026	100.00%
C	€17,500,000	6 month EURIBOR + 3.25%	"A(sf)"	"Asf"	15 January 2026	99.687%
D	€16,000,000	6 month EURIBOR + 4.25%	"BBB(sf)"	"BBBsf"	15 January 2026	100.00%
E	€21,000,000	6 month EURIBOR + 6.00%	"BB(sf)"	"BBsf"	15 January 2026	100.00%
Subordinated Notes	€37,500,000	Residual	Not Rated	Not Rated	15 January 2026	100.00%

1 The rate of interest of the Notes of each Class (other than the Class A-2 Notes and the Class B-2 Notes) for the first interest period will be determined by reference to a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR.

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

3 The Joint Lead Managers may offer the Notes at other prices as may be negotiated at the time of sale.

Eligible Purchasers

The Notes of each Class will be offered:

(a) to non-U.S. Persons in "offshore transactions" in reliance on Regulation S; and

(b) to U.S. Persons, in each case, who are QIB/QPs in reliance on Rule 144A.

Distributions on the Notes

Payment Dates

15 January and 15 July of each year, commencing on 15 July 2014 and ending on the Maturity Date (subject to any earlier redemption of the Notes and in each case to adjustment for non Business Days in accordance with the Conditions).

Stated Note Interest

Interest in respect of the Notes of each Class will be payable semi-annually in arrears on each Payment Date (with the first Payment Date occurring in July 2014) in accordance with the Interest Priority of Payments.

Deferral of Interest

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

(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, and (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 save in each case as the result of any deduction therefrom or the imposition of any withholding tax thereon as set out in Condition 9 (*Taxation*). To the extent that interest payments on the Class C Notes, Class D Notes or the Class E Notes are not made on the relevant Payment Date when a more senior Class of Notes remains Outstanding, an amount equal to such unpaid interest will be added to the principal amount of the Class C Notes, Class D Notes and the Class E Notes (as applicable), and

from the date such unpaid interest is added to the applicable Principal Amount Outstanding of the relevant Class of Notes, such unpaid amount will accrue interest at the rate of interest applicable to the relevant Notes. See Condition 6(c) (*Deferral of Interest*).

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

Redemption of the Notes

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

(a) on the Maturity Date;

(b) on any Payment Date following a Determination Date on which a Coverage Test is not satisfied (to the extent such test is required to be satisfied on such Determination Date) (see Condition 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 the Rated Notes are redeemed in full or, if earlier, until such Effective Date Rating Event is no longer continuing (see Condition 7(e) (*Redemption Upon Effective Date Rating Event*));

(d) after the Reinvestment Period, on each Payment Date out of Principal Proceeds transferred to the Payment Account immediately prior to the related Payment Date (see Condition 7(f) (*Redemption Following Expiry of the Reinvestment Period*));

(e) on any Payment Date during the Reinvestment Period at the discretion of the Collateral Manager (acting on behalf of the Issuer), following written certification by the Collateral Manager to the Trustee (on which the Trustee may rely without further enquiry) that, using commercially reasonable endeavours, it has been unable, for a period of at least 30 consecutive Business Days, to identify Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion in sufficient amounts to permit the investment of all or a portion of the funds then available for reinvestment, the Collateral Manager may elect, in its sole discretion, to designate all or a portion of those funds as a Special Redemption Amount (see Condition 7(d) (*Special Redemption*));

(f) in whole (with respect to all Classes of Rated Notes) but not in part on any Payment Date following the expiry of the Non-Call Period from Sale Proceeds or Refinancing Proceeds (or any combination thereof) at the option of the holders of the Subordinated Notes (excluding any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by way of Ordinary Resolution (see Condition 7(b)(i) (*Optional Redemption - Subordinated Noteholders*));

(g) on any Payment Date following the occurrence of a Collateral Tax Event in whole (with respect to all Classes of Rated Notes) at the option of the Subordinated Noteholders acting by way of Ordinary Resolution (See Condition 7(b)(i)(B) (*Optional Redemption - Subordinated Noteholders*));

(h) in whole (with respect to all Classes of Rated Notes) on any Payment Date at the option of the Controlling Class or the holders of the Subordinated Notes, 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*); and

(i) at any time following an acceleration of the Notes after the occurrence of an Event of Default which is continuing and has not been cured or waived (See Condition 10 (*Events of Default*)).

Non-Call Period

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

Redemption Prices

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

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

Priorities of Payments.

Priorities of Payments

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

Collateral Management Fees

Senior Management Fee

0.125 per cent. per annum of the Adjusted Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement —Fees*".

Subordinated Management Fee

0.375 per cent. per annum of the Adjusted Collateral Principal Amount. See "*Description of the Collateral Management and Administration Agreement —Fees*".

Incentive Collateral Management Fee

The Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold of 12 per cent. has been met or surpassed and, on such Payment Date and each subsequent Payment Date an amount equal to 10 per cent. of any Interest Proceeds and Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payments will be applied to pay the accrued and unpaid Incentive Collateral Management Fee as of such Payment Date. See "*Description of the Collateral Management and Administration Agreement — Fees*".

Security for the Notes

General

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

Hedge Arrangements

Subject to satisfaction of the Hedging Condition, the Issuer may enter into Hedge Transactions to hedge interest rate or currency risk around or after the Issue Date.

Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), will arrange, in relation to any Non-Euro Obligation, for the Issuer to enter into a Currency Hedge Transaction in relation to such Non-Euro Obligation. The Currency Hedge Transaction will pay Euro in return for the United States dollars, pounds sterling or any other lawful currency of a Qualifying Country payable under such Non-Euro Obligation.

Subject to satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer (subject to the following paragraph), is authorised to enter into Interest Rate Hedge Transactions that are interest rate protection transactions entered into under an Interest Rate Hedge Agreement (which may be an interest rate swap, an interest rate cap or an interest rate floor transaction) in order to mitigate certain interest rate mismatches from time to time.

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

Collateral Manager

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act as the Issuer's collateral manager with respect to the Portfolio, to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described therein. Pursuant to the Collateral Management and Administration Agreement, the Issuer delegates authority to the Collateral Manager to carry out certain functions in relation to the Portfolio and any Hedge Transactions. See "*Description of the Collateral Management and Administration Agreement*" and "*The Portfolio*".

Purchase of Collateral Obligations

Initial Portfolio

The Issuer has committed to purchase from NIBC Bank N.V. and certain other sellers certain Collateral Obligations (including, but not limited to, Collateral Obligations purchased

pursuant to the Forward Purchase Agreement) on or following the Issue Date.

Initial Investment Period

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

(a) the date designated for such purpose by the Collateral Manager, subject to the Effective Date Determination Requirements having been satisfied; and

(b) 30 April 2014

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

Sale of Collateral Obligations

Subject to the limits described in the Collateral Management and Administration Agreement, the Collateral Manager may dispose of any Collateral Obligation during and after the Reinvestment Period. See "*The Portfolio – Discretionary Sales*".

Reinvestment in Collateral Obligations

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

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

Eligibility Criteria

In order to qualify as a Collateral Obligation, an obligation must satisfy certain specified Eligibility Criteria. Each obligation shall only be required to satisfy the Eligibility Criteria at the time the Issuer (or the Collateral Manager, acting on behalf of the Issuer) enters into a binding commitment to purchase such obligation.

Restructured Obligations

In order for a Restructured Obligation to continue to qualify as a Collateral Obligation for the purposes of the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and the Reinvestment Overcollateralisation Test, such Restructured Obligation must satisfy the Restructured Obligation Criteria as at the applicable

Restructuring Date. See "*The Portfolio - Restructured Obligations*".

Collateral Quality Tests

The Collateral Quality Tests will comprise the following:

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

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

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

(c) the S&P Minimum Weighted Average Floating Spread Test; and

(d) the S&P Minimum Weighted Average Coupon Test;

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

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

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

(c) the Fitch Minimum Weighted Average Spread Test; and

(d) the Fitch Minimum Weighted Average Fixed Coupon Test.

For so long as any of the Rated Notes are Outstanding, the Weighted Average Life Test.

Portfolio Profile Tests

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

	Minimum	**Maximum**
a) Secured Senior Floating Rate Obligations (plus the Balance of the Principal Account and Unused Proceeds Account, including Eligible Investments acquired with such Balance)	90.0%	N/A
b) Secured Senior Floating Rate Notes	N/A	15.0%

c)	Fixed Rate Collateral Obligations	N/A	10.0%
d)	Unsecured Senior Obligations, Second Lien Loans or Mezzanine Obligations in aggregate	N/A	10.0%
e)	Obligations of a single Obligor	N/A	2.5%
f)	Non-Euro Obligations (conditional upon a corresponding Currency Hedge Transaction being entered into by the Issuer)	N/A	20.0%
g)	S&P Industry Classification	N/A	the largest S&P industry classification may comprise up to 17.5% of the Collateral Principal Amount, each of the second and third largest S&P industry classifications may comprise up to 12.0% of the Collateral Principal Amount, and each other S&P industry classification may each comprise up to 10.0% of the Collateral Principal Amount
h)	Fitch Industry Classifications	N/A	the largest Fitch Industry Category may comprise up to 16.0% of the Collateral Principal Amount, the second largest Fitch Industry Category may comprise up to 14.0% of the Collateral Principal Amount, the third largest Fitch Industry Category may comprise up to 11.0% of the Collateral Principal Amount and each other Fitch Industry Category may each comprise up to 10.0% of the Collateral Principal Amount
i)	Participations	N/A	5.0%
j)	Current Pay Obligations	N/A	2.5%
k)	Fitch Rating of "CCC+" or lower	N/A	7.5%
l)	S&P Rating of "CCC+" or lower	N/A	7.5%
m)	Bridge Loans	N/A	2.5%
n)	PIK Securities	N/A	5.0%
o)	Interest paid less frequently than semi-annually (other than PIK Securities)	N/A	5.0%
p)	S&P Rating derived from a public Moody's rating	N/A	10.0%

q)	Domicile of Obligors 1	N/A	5.0% Domiciled in countries or jurisdictions rated below "A-" by Fitch unless Rating Agency Confirmation from Fitch is obtained
r)	Domicile of Obligors 2	N/A	5.0% Domiciled in countries or jurisdictions rated below "A-" by S&P
s)	Cov-Lite Loans	N/A	10.0%
t)	Bivariate Risk Table	N/A	See limits set out in "*The Portfolio-Bivariate Risk Table*"

Coverage Tests

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

Class	Required Par Value Ratio
A/B	131.78%
C	123.11%
D	116.36%
E	107.82%

Class	Required Interest Coverage Ratio
A/B	120.00%
C	115.00%
D	110.00%
E	105.00%

If a Coverage Test is not satisfied on any Determination Date on or after the Effective Date or, in the case of an Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem each Class of Notes in sequential order until the relevant Coverage Test is satisfied if recalculated immediately following such redemption. However, in the case only of a Class E Coverage Test not being satisfied, Interest Proceeds will be applied to redeem the Class E Notes until such Class E Coverage Test is satisfied if recalculated immediately following such redemption (such redemption of the Class E Notes applying Interest Proceeds to occur

notwithstanding that other Classes of Notes ranking higher than the Class E Notes remain Outstanding).

Reinvestment Overcollateralisation Test

If the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of the Rated Notes is not at least equal to 108.38% as of any Measurement Date on and after the Effective Date and during the Reinvestment Period, Interest Proceeds shall be paid to the Principal Account during the Reinvestment Period, to be applied for the purpose of the acquisition of additional Collateral Obligations in the Required Diversion Amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (T) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of (A) through (S) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Measurement Date after giving effect to any payments made pursuant to paragraph (T) of the Interest Priority of Payments.

Collateral Obligations

Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and all other tests and criteria applicable to the Portfolio at any time as if such purchase had been completed. Obligations in respect of which the Issuer or the Collateral Manager, on behalf of the Issuer, has entered into a binding commitment to sell, but which have not yet settled, shall not be included as Collateral Obligations in the calculation of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests and all other tests and criteria applicable to the Portfolio at any time (including, for the avoidance of doubt, on any Measurement Date) as if such sale had been completed.

Authorised Denominations

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

Form, Registration and Transfer of the Notes

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

The Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) sold in reliance on Rule 144A to U.S. Persons who, in each case, 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 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 transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements substantially in the form set out in the Trust Deed and each purchaser thereof shall be deemed to represent that such purchaser is a QIB/QP. In addition, interests in any of the Regulation S Notes may not at any time be held by any U.S. Person or U.S. Resident. See "*Form of the Notes*" and "*Book Entry Clearance Procedures*".

Except in the limited circumstances described herein, Notes in definitive, certificated, fully registered form ("**Definitive**

Certificates") will not be issued in exchange for beneficial interests in either the Regulation S Global Certificates or the Rule 144A Global Certificates. See "*Form of the Notes - Exchange for Definitive Certificates*".

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

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Form of the Notes*", "*Book Entry Clearance Procedures*" and "*Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See Condition 2(h) (*Forced Transfer of Rule 144A Notes*), Condition 2(i) (*Forced Transfer pursuant to ERISA*) and Condition 2(j) (*Forced Transfer pursuant to FATCA*).

Governing Law

The Notes, the Trust Deed, the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement and all other Transaction Documents will be governed by English law (save for the Issuer Management Agreements (which are governed by the laws of The Netherlands) and certain clauses of the Forward Purchase Agreement relating to the transfer of Dutch or German law governed Collateral Obligations (which are governed by the laws of The Netherlands or Germany (as applicable)).

Listing

The 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 Notes to be admitted to the Official List and trading on its Main Securities Market. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the 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.

Tax Status

See "*Tax Considerations*".

Certain ERISA Considerations

See "*Certain ERISA Considerations*".

Withholding Tax

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

Retention Requirements

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

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 Offering Circular, prior to investing in any Notes. Terms not defined in this section and not otherwise defined above have the meanings set out in Condition 1 (Definitions) of the "Terms and Conditions".

1. GENERAL

1.1. General

It is intended that the Issuer will invest in Collateral Obligations and other financial assets with certain risk characteristics as described below and subject to the investment policies, restrictions and guidelines described in "*The Portfolio*". There can be no assurance that the Issuer's investments will be successful, that its investment objectives will be achieved, that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Offering Circular carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priorities of Payments. See Condition 3(c) (*Priorities of Payments*). Neither the Arrangers, the Joint Lead Managers, the Bookrunner nor the Trustee undertake to review the financial condition or affairs of the Issuer or the Collateral Manager during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arrangers, the Joint Lead Managers, the Bookrunner or the Trustee which is not included in this Offering Circular.

1.2. Suitability

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

1.3. Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Payment Date are limited as provided in the Priorities of 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.

1.4. Business and Regulatory Risks for Vehicles with Investment Strategies such as the Issuer's

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in 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 futures markets are subject to comprehensive statutes, regulations and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

1.5. Events in the CLO and Leveraged Finance Markets

In the past six years, 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 1.6 (*Euro and Euro zone risk*) below, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of leaving the Euro is impossible to predict, but is likely to be negative. The exit of one or more countries from the Euro zone could have a destabilising effect on all European economies and possibly the global economy as well.

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

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

It is very likely that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders as well as the flexibility of the 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.

1.6. Euro and Euro Zone Risk

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

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

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

1.7. Regulatory Initiatives

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the banks, financial industry and asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arrangers, the Joint Lead Managers, the Bookrunner, the Collateral Manager, 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.

In particular, 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 UCITS funds. 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 note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of EU regulated credit institution investors, investment firms and authorised alternative investment fund managers, coming legislative developments may result in changes to the corresponding interpretation materials which apply in respect of such requirements. No assurance can be provided that any such changes will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The Retention Requirements, such other similar retention requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for some or all investors to which the Retention

Requirements apply ("**Affected Investors**") may negatively impact the regulatory position of individual holders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

The Retention Requirements apply to investors subject to such requirements when investing in the Notes. Such investors should therefore make themselves aware of the Retention Requirements (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Each Affected Investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator to determine whether, and to what extent, the information set out in the section entitled *"Description of the Collateral Management and Administration Agreement*", information elsewhere in this Offering Circular generally and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying the Retention Requirements or any other applicable requirements. Affected Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Collateral Manager, the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Administrator, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the Retention Requirements and/or other similar requirements and no such Person shall have any liability to any prospective investor or any other Person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy the Retention Requirements or any other applicable legal, regulatory or other requirements. In the event that a regulator determines that the transaction did not comply or is no longer in compliance with the Retention Requirements and/or other similar requirements, then if you are an Affected Investor you may be required by your regulator to set aside additional capital against your investment in the Notes.

With respect to the Collateral Manager's fulfilment of the Retention Requirements, please refer to "*Description of the Collateral Management and Administration Agreement*" below.

1.8. Alternative Investment Fund Managers Directive

AIFMD provides, among other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. If the AIFMD were to apply to the Issuer (which at this stage is unclear) the Collateral Manager would need to be appropriately regulated and certain duties and responsibilities will be imposed on the Collateral Manager in respect of its management of the Portfolio. Such duties and responsibilities, were they to apply to the Collateral Manager's management of the Issuer, may result in additional costs and expenses incurred by the Collateral Manager which, in respect of some such fees and expenses, may be reimbursable by the Issuer to the Collateral Manager pursuant to the Collateral Management and Administration Agreement as an Administrative Expense. If the Collateral Manager or the Issuer were to fail to, or be unable to, be appropriately regulated, the Collateral Manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impair the ability of the Collateral Manager to manage the Issuer's assets may adversely affect the Issuer's ability to carry out its investment strategy and achieve its investment objective.

1.9. U.S. Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. The Dodd-Frank Act represents 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, and still other implementing regulations have not yet been proposed. It is therefore difficult to predict whether and to what extent the businesses of the Collateral Manager and its subsidiaries and Affiliates and the Issuer, will be affected by the Dodd-Frank Act as implementing regulations are finalised over time and come into effect.

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

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

1.10. Commodity Pool Regulation

In 2012, the U.S. Commodity Futures Trading Commission (the "**CFTC**") rescinded the rule which formerly provided an exemption from registration as a "Commodity Pool Operator" (a "**CPO**") and a "commodity trading advisor" ("**CTA**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Similarly, the term "commodity pool operator" was expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an extremely expansive interpretation of these definitions, and has expressed the view that entering into a single swap (apparently without distinguishing between trading and holding a swap position) could make an entity a "commodity pool" subject to regulation under the CEA. It should also be noted that the definition of "swaps" under the Dodd-Frank Act is itself extremely broad, and expressly includes interest rate swaps, currency swaps and total return swaps. Although the CFTC has provided guidance that certain securitisation transactions, including CLOs, will be excluded from the definition of "commodity pool" it is unclear if such exclusion will apply to all CLOs and, in certain instances, the Collateral Manager of a securitisation vehicle 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 requirements that are geared to traded commodity pools. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would involve material ongoing costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Notes.

Furthermore, even if an exemption were available, the limits imposed by such exemption may prevent the Issuer from entering into hedging transactions which the Collateral Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged absent such limits.

In light of the foregoing, the Collateral Manager will not permit the Issuer to enter into a Hedge Agreement or any other similar agreement that could fall within the definition of "swap" as set out in the CEA until such time as it shall have received legal advice from reputable counsel to the effect that none of the Issuer, its directors or

officers, the Collateral Manager or any of its Affiliates or any other person should be required to register as a CPO with the CFTC with respect to the Issuer.

1.11. Volcker Rule

Another potential consequence of the CFTC's expansive interpretation of commodity pool and related definitions is presented under Section 619 of the Dodd-Frank Act (the "**Volcker Rule**"). In their final rulemaking, the agencies charged with drafting regulations under the Volcker Rule, including the CFTC, construed the statutory definition therein of "hedge fund" and "private equity fund" as providing them with discretion to define the term "covered fund" to include any commodity pool as defined in the CEA, without regard as to whether the commodity pool is in the nature of a hedge fund or a private equity fund. If the Issuer is deemed to be a commodity pool, or otherwise characterised as "covered funds" due to reliance on Section 3(c)(7) of the Investment Company Act, then in the absence of regulatory relief, the provisions of the Volcker Rule, including the so-called "Super 23A" provisions, would generally prohibit U.S. banking institutions and other banking entities subject to the Volcker Rule from maintaining an ownership interest in the Issuer, extending credit to the Issuer, or entering into derivative transactions with the Issuer. 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.

1.12. Flip Clauses

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

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

In the U.S. courts, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc*.), Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined a flip clause and held that such a provision, which seeks to modify one creditor's position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the U.S. Bankruptcy Code. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". While BNY Corporate Trustee Services Ltd filed a motion for and was granted leave to appeal with the U.S. Bankruptcy Court, the case was settled before the appeal was heard. In 2012, a new suit was filed in the U.S. Bankruptcy Court by claimants in the *Belmont* case asking, among other things, for the U.S. Bankruptcy Court to recognise and enforce the decision of the English Supreme Court and to declare that flip clauses are enforceable under U.S. bankruptcy law notwithstanding that court's earlier decision. Plaintiffs in that suit have also filed a companion motion alleging that the issues in their complaint are tangential to the bankruptcy before the U.S. Bankruptcy Court and that, therefore, the suit should be removed to a U.S. district court. The bankruptcy proceeding was closed by the U.S. Bankruptcy Court in June 2013 and there has been no further action on the district court proceeding since October 2012. 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.

1.13. Foreign Accounts Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "FATCA") impose a new 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 new 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 may be classified as a financial institution for these purposes.

The Issuer expects to require (and other intermediaries through which Notes are held to require) each Noteholder to provide certifications and identifying information about itself and its owners (or ultimate 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 a Netherlands authority as applicable. The Issuer may also be required to withhold amounts from holders of Notes (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 compel the Issuer (or an intermediary) to force the sale of the Noteholder's Notes (and such sale could be for less than its then fair market value) – see Condition 2(j) (*Forced Transfer pursuant to FATCA*). Moreover, the Issuer is also permitted to make any amendments to the Trust Deed or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable), and the Trustee shall consent to (without the consent of the Noteholders) such amendment, to enable the Issuer to comply with FATCA (or any voluntary agreement entered into with a taxation authority pursuant thereto).

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 nor 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*".

1.14. United States Federal Income Tax Treatment of the Issuer

Upon the issuance of the Notes, Allen & Overy LLP, will deliver an opinion generally to the effect that, under current law, assuming compliance with the Transaction Documents and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and assuming the correctness of all opinions and advice of counsel that permit the Issuer to take or fail to take any action under the Transaction Documents based upon such opinions or advice, although the matter is not free from doubt, the Issuer will not be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Allen & Overy LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities. The Issuer intends to conduct its affairs in accordance with such assumptions and representations. In addition, you should be aware that the opinion referred to above will be predicated upon the Collateral Manager's compliance with certain tax restrictions set out in the Trust Deed and the Collateral Management and Administration Agreement (the "**Trading Restrictions**"), which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business within the United States. Although the Collateral Manager has generally undertaken to comply with the Trading Restrictions, the Trading Restrictions may be amended if the Issuer receives an opinion from internationally recognised U.S. tax counsel that the amendment will not cause the Issuer to be treated as engaged in a trade or business within the United States. Any such actions would not be covered by the opinion of Allen & Overy LLP referred to above. Furthermore, the Collateral Manager is not obligated to monitor (or conform the Issuer's activities in order to comply with) changes in law, and accordingly, any such changes could adversely affect whether the Issuer is treated as engaged in a U.S. trade or business. The opinion of Allen & Overy LLP will be based on the

documents as of the Issue Date, and accordingly, will not address any potential U.S. federal income tax effect of any supplemental indenture. The opinion of Allen & Overy LLP and any such other advice or opinions are not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Allen & Overy LLP or any such other advice or opinions may not be asserted successfully by the IRS.

If the IRS were to successfully assert that the Issuer is engaged in a U.S. trade or business, however, there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. There can be no assurance, that the Issuer's net income will not become subject to U.S. federal net income tax as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by U.S. tax authorities or other causes. In such a case, the Issuer would be potentially subject to substantial U.S. federal income tax and, in certain circumstances interest payments by the Issuer under the Notes could be subject to U.S. withholding tax. The imposition of any of the foregoing taxes would materially affect the Issuer's ability to pay principal, interest, and other amounts owing in respect of the Notes.

1.15. Withholding on the Collateral

There can be no assurance that payments to the Issuer in respect of its assets, including on a Collateral Obligation will not be subject to withholding. If payments to the Issuer in respect of its assets, including the Collateral are subject to withholding, this may result in the occurrence of a Collateral Tax Event pursuant to which the Notes may be subject to early redemption in the manner described in Condition 7(b) (*Optional Redemption*). In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an intermediary is subject to withholding for its failure to comply with FATCA. Accordingly, an investor should consult its own tax advisors as to the potential implication of withholding taxes on the Notes before investing.

1.16. EU Financial Transactions Tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive, for a financial transaction tax ("**FTT**") to be adopted in certain participating EU member states (including Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If these proposals were adopted in their current form, 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 current proposals, the FTT would apply 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.

At this stage, it is too early to say whether the FTT proposals will be adopted and in what form. However, if the FTT is adopted based on the current proposals, then it may operate in a manner giving rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)). Any such liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied.

The FTT proposal remains subject to negotiation between the participating EU member states described above and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

1.17. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic exchange under the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to Condition 8(d), so long as such a jurisdiction exists, the Issuer is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to any law implementing or complying with, or introduced in order to conform to, the Savings Directive.

1.18. The Issuer is Expected to be Treated as a Passive Foreign Investment Company

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

1.19. LIBOR and EURIBOR Reform

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

A review of LIBOR was conducted at the request of the UK Government, following which a number of recommendations for changes with respect to LIBOR including the introduction of statutory regulation of LIBOR, replacing the BBA as administrator of LIBOR with an independent administrator, changes to the method of compilation of lending rates and new regulatory oversight and enforcement mechanisms for rate-setting and reduction in the number of currencies and tenors for which LIBOR is published. It is anticipated that a reform of EURIBOR will be implemented also, which may (but will not necessarily) be in a similar fashion. Accordingly, EURIBOR calculation and publication could be altered, suspended or discontinued. It is not possible to predict the effect of any changes in the methods pursuant to which the LIBOR and/or EURIBOR

rates are determined and any other reforms to LIBOR and/or EURIBOR that will be enacted in the UK and elsewhere. Any such changes or reforms to LIBOR and/or EURIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR and/or EURIBOR rates, which could have an adverse impact on the value of the Notes and any payments linked to LIBOR and/or EURIBOR thereunder.

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

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

If any proposed changes when implemented change the way in which LIBOR or EURIBOR is calculated with respect to floating rate Collateral Obligations, this could result in the rate of interest being lower than anticipated, which would adversely affect the value of the Notes. As the substantial majority of the interest payments due on the Issuer's assets are expected to be calculated based upon EURIBOR and the Notes (other than the Class A-2 Notes and the Class B-2 Notes) pay interest based upon EURIBOR, an inaccurate EURIBOR setting could have adverse effects on the Issuer and/or the holders of the Notes. For example, holders of the Notes would receive lower Euro amounts as interest payments if EURIBOR was artificially lower than a properly functioning market would otherwise set EURIBOR. Other negative consequences of the perceived inaccuracy of EURIBOR could include fewer loans utilising EURIBOR as an index for interest payments and/or erratic swings in EURIBOR, both of which could result in interest rate mismatches between the Issuer's assets and its liabilities and expose the Issuer to cash shortfalls. Furthermore, questions surrounding the integrity in the process for determining EURIBOR may have other unforeseen consequences, including potential litigation against banks and/or obligors on loans, which could result in a material and adverse effect on the Issuer or the holders of the Notes. Investors should consider these recent developments when making their investment decision with respect to the Notes.

2. RELATING TO THE SECURITIES

2.1. Limited Liquidity and Restrictions on Transfer

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

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

2.2. Optional Redemption and Market Volatility

The Market Value of the Collateral Obligations may fluctuate, with, among other things, changes in prevailing interest rates, foreign exchange rates, general economic conditions, the conditions of financial markets (particularly the markets for senior and mezzanine loans), European and international political events, events in the home countries of the issuers of the Collateral Obligations or the countries in which their assets and operations are based, developments or trends in any particular industry and the financial condition of such issuers. The secondary market for senior and mezzanine loans 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 – 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 and certain other amounts.

2.3. The Notes are subject to Optional Redemption

The Rated Notes may be redeemed in whole from Sale Proceeds and/or Refinancing Proceeds (A) in the case of a redemption on any Payment Date falling on or after the expiry of the Non-Call Period, at the option of the Subordinated Noteholders (excluding Subordinated Notes held by the Collateral Manager or any of its Affiliates) acting by way of Ordinary Resolution, (B) in the case of a redemption on any Payment Date falling after the occurrence of a Collateral Tax Event, at the option of the Subordinated Noteholders acting by way of Ordinary Resolution or (C) on any Payment Date following the Note Tax Event, at the direction of either the Controlling Class or the Subordinated Noteholders acting by Extraordinary Resolution.

As described in Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*), Refinancing Proceeds may be used in connection with a redemption in whole of the Rated Notes. A Refinancing will only be effective if (i) the Issuer provides prior written notice thereof to the Rating Agencies; (ii) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed, and all other available funds will be at least sufficient to pay any Refinancing Costs 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 and Class E 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; (iii) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption; (iv) 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 (v) all Refinancing Proceeds and all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments received in accordance with the procedures set forth in the Trust Deed are received by (or on behalf of) the Issuer prior to the applicable Redemption Date.

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 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 Payment Date in whole but not in part at the written direction of (x) the Controlling Class or (y) the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, following the occurrence of a Note Tax Event. The Subordinated Notes may be redeemed at their

Redemption Price, in whole but not in part, on any Payment Date on or after the redemption or repayment in full of the Rated Notes, at the direction of the Subordinated Noteholders (acting by Ordinary Resolution).

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

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

The Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 30 consecutive Business Days, to identify Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the Eligibility Criteria or, to the extent applicable, the Reinvestment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Principal Account to be invested in Substitute Collateral Obligations. On the Special Redemption Date, the Special Redemption Amount will be applied in accordance with the Priorities of Payments. Application of funds in such manner will result in holders of the Notes being repaid, at least in part, prior to the Maturity Date and could result in a reduction of amounts ultimately available to make payments with respect to the Notes.

2.5. Mandatory Redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes

Certain mandatory redemption arrangements may result in an elimination, deferral or reduction in the interest payments or principal repayments made to the Noteholders of the Rated Notes or the level of the returns to the Subordinated Noteholders, as provided in more detail below.

If either of the Class A/B Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class A/B Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class A Notes and following redemption in full thereof, the Class B Notes until the Class A/B Coverage Tests are satisfied if recalculated immediately following such redemption.

If either of the Class C Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class A Notes, and, following redemption in full thereof, the Class B Notes and following redemption in full thereof, the Class C Notes until the Class C Coverage Tests are satisfied if recalculated immediately following such redemption.

If either of the Class D Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to redeem the Class A Notes, and, following redemption in full thereof, the Class B Notes and following redemption in full thereof, the Class C Notes and following redemption in full thereof, the Class D Notes until the Class D Coverage Tests are satisfied if recalculated immediately following such redemption.

If either of the Class E Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds and thereafter Principal Proceeds will be used, subject to the Priorities of Payments, to the extent necessary and available, to (i) in the case of Interest Proceeds, redeem the Class E Notes, until the Class E

Coverage Tests are satisfied if recalculated immediately following such redemption (such redemption of the Class E Notes applying Interest Proceeds to occur notwithstanding that other Classes of Notes ranking higher than the Class E Notes remain Outstanding) and (ii) in the case of Principal Proceeds, redeem the Class A Notes and, following redemption in full thereof, the Class B Notes and, following redemption in full thereof, the Class C Notes and, following redemption in full thereof, the Class D Notes and, following redemption in full thereof, the Class E Notes until the Class E Coverage Tests are satisfied if recalculated immediately following such redemption.

2.6. The Reinvestment Period may Terminate Early

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

2.7. Certain Actions May Prevent the Failure of Coverage Tests and an Event of Default

The Collateral Manager may, pursuant to the Priorities of Payments, apply funds by either deferring, designating for reinvestment or irrevocably waiving all or a portion of the Collateral Management Fees that would otherwise have been payable to it or designating a Supplemental Reserve Amount, which could likewise result in satisfaction of a Coverage Test that would otherwise be failing and could also prevent certain Events of Default from occurring. As a result, the Notes may continue to be outstanding in circumstances where the Controlling Class may otherwise have had the right to direct the Trustee to accelerate the Notes.

2.8. Limited Recourse Obligations

The Notes are limited recourse obligations of the Issuer and are payable solely from amounts received in respect of the Collateral. Payments on the Notes both prior to and following enforcement of the security over the Collateral are subordinated to the prior payment of certain fees and expenses of, or payable by, the Issuer and to payment of principal and interest on prior ranking Classes of Notes. See Condition 4(c) (*Limited Recourse*). None of the Collateral Manager, the Noteholders of any Class, the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Administrator, 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 Obligations and other Collateral for the payment of principal, discount, interest and premium, if any, thereon. There can be no assurance that the distributions on the Collateral Obligations and other Collateral will be sufficient to make payments on any Class of Notes after making payments on more senior Classes of Notes and certain other required amounts to other creditors ranking senior to or *pari passu* with such Class pursuant to the Priorities of Payments. If distributions on the Collateral are insufficient to make payments on the Notes, no other assets of the Issuer (including the Issuer Dutch Account and the Issuer's rights under the Issuer Management Agreements) (and, in particular, no assets of the Collateral Manager, the Noteholders, the Arrangers, the Joint Lead Managers, the Bookrunner, the Trustee, the Collateral Administrator, the Custodian, any Agent, any Hedge Counterparty or any Affiliates of any of the foregoing) will be available for payment of the deficiency. 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 by the Noteholders and the other Secured Parties in accordance with the Priorities of Payments.

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

2.9. Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and 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 and the Class B Notes, the Class D Notes are fully subordinated to the Class A Notes, the Class B Notes and the Class C Notes, the Class E Notes are fully subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and the Subordinated Notes are fully subordinated to the Rated Notes. Notwithstanding the foregoing, and notwithstanding that other Classes of Notes ranking higher than the Class E Notes remain Outstanding, if the Class E Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date, Interest Proceeds will be used, subject to the Interest Priority of Payments and to the extent necessary and available, to redeem the Class E Notes until the Class E Coverage Tests are satisfied if recalculated immediately following such redemption.

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, subject to and as more fully described in the Priorities of Payments. 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 and the Class E Notes has been paid and, subject always to the right of the Collateral Manager on behalf of the Issuer to transfer amounts which would have been payable on the Subordinated Notes to the Supplemental Reserve Account to be applied in the acquisition of additional Collateral Obligations or in the acquisition or exercise of rights under Collateral Enhancement Obligations and the requirement to transfer amounts to the Principal Account in the event that the Reinvestment Overcollateralisation Test is not met during the Reinvestment Period, will instead be applied in the acquisition of Collateral Obligations to the extent necessary to cause such threshold to be met, following such acquisition.

Non payment of any Interest Amount due and payable in respect of the Class A Notes or the Class B Notes on any Payment Date will constitute an Event of Default (where such non payment continues for a period of at least five Business Days or seven Business Days in the case of an administrative error or omission). In such circumstances, the Controlling Class, which in these circumstances will be the Class A Noteholders (or, following redemption and payment in full of the Class A Notes, the Class B Noteholders), acting by Ordinary Resolution, may request the Trustee to accelerate the Notes pursuant to Condition 10 (*Events of Default*).

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

The Trust Deed provides that in the event of any conflict of interest among or between the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders, the interests of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of: (i) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (ii) the Class B Noteholders over the Class C

Noteholders, the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iii) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders and the Subordinated Noteholders; (iv) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders and (v) the Class E Noteholders over the Subordinated Noteholders. In the event that the Trustee shall receive conflicting or inconsistent requests from two or more groups of holders of the Controlling Class (or another Class is given priority as described in this paragraph), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that the Trustee will act upon the directions of the holders of the Controlling Class (or other Class given priority as described in this paragraph) in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed. See Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*).

2.10. 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 B Notes are Outstanding), the Class D Notes (so long as the Class C Notes are Outstanding), the Class E Notes (so long as the Class D Notes are Outstanding) or the Subordinated Notes at any time, due to there being insufficient funds available to pay such interest in accordance with the applicable Priorities of Payments, will not be an Event of Default. Payments of interest and principal on the Subordinated Notes will only be made to the extent that there are Interest Proceeds and Principal Proceeds available for such purpose in accordance with the Priorities of Payment. No interest or principal may therefore be payable on the Subordinated Notes for an unlimited period of time, to maturity or at all.

Investment in the Notes of any Class involves a degree of risk arising from fluctuations in the amount and timing of receipt of the principal and interest on the Collateral 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 the Notes should be aware that the amount and timing of payment of the principal and interest on the Collateral Obligations will depend upon the detailed terms of the documentation relating to each of the Collateral Obligations and on whether or not any Obligor thereunder defaults in its obligations.

2.11. Reports Will Not Be Audited

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

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

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

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

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

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

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

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

2.13. Average Life and Prepayment Considerations

The Maturity Date is 15 January 2026 in respect of the Notes (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 applicable Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until each Euro of the principal of such Note will be paid to the investor. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Collateral Obligations (whether through sale, maturity, redemption, default or other liquidation or disposition). The actual average lives and actual maturities of the Notes will be affected by the financial condition of the issuers of the underlying Collateral Obligations and the characteristics of such loans, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any Defaulted Obligations and the timing of defaults and recoveries, and the frequency of tender or exchange offers for such Collateral Obligations. Collateral Obligations may be subject to optional prepayment by the Obligor of such loans. Any disposition of a Collateral Obligation may change the composition and characteristics of the Portfolio and the rate of payment thereon and, accordingly, may affect the actual average lives of the Notes. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Obligations also will affect the maturity and average lives of the Notes.

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

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 prepayment, default and recovery rates and timing; market, financial or legal uncertainties; the timing of acquisitions of Collateral Obligations; differences in the actual allocation of Collateral Obligations among asset categories from those assumed; mismatches between the time of accrual and receipt of Interest Proceeds from the Collateral Obligations. None of the Issuer, the Collateral Manager, the Trustee, the Arrangers, the Joint Lead Managers, the Bookrunner, 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 Offering Circular or to reflect the occurrence of unanticipated events.

2.14. Volatility of the Subordinated Notes

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

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

and cause temporary or permanent suspension of distributions to the Subordinated Notes and/or one or more subordinate Classes of Rated Notes.

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

2.15. Net Proceeds less than Aggregate Amount of the Notes

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

2.16. Withholding Tax on the Notes

Although no withholding tax is currently imposed on payments of interest on the Notes, there can be no assurance that the law will not change. 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 Event of Default shall occur as a result of any such withholding or deduction.

In the event of the occurrence of a Note Tax Event pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction on account of tax, the Notes may be redeemed in whole but not in part at the direction of the holders of either 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.

2.17. Security

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

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

Any risk of loss arising from any insufficiency or ineffectiveness of the security for the Notes or the custody and clearance risks which may be associated with assets comprising the Portfolio will be borne by the Noteholders without recourse to the Issuer, the Arrangers, the Joint Lead Managers, the Bookrunner, 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, is expressed to take effect as a fixed charge, it may (as a result of, among other things, the substitutions of Collateral Obligations or Eligible Investments contemplated by the Collateral Management and Administration Agreement and the payments to be made from the Accounts in

accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after a subsequently created fixed charge. However, the Issuer has covenanted in the Trust Deed not to create any such subsequent security interests (other than those permitted under the Trust Deed) without the consent of the Trustee.

2.18. Resolutions, Amendments and Waivers

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

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

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

In the event that a meeting of Noteholders is called to consider a Resolution, determination as to whether the requisite number of Notes has been voted in favour of such Resolution will be determined by reference to the percentage which the Notes voted in favour represent of the total amount of Notes held or represented by any person or persons entitled to vote which are present at such meeting and not by the aggregate Principal Amount Outstanding of all such Notes which are entitled to be voted in respect of such Resolution. This means that a lower percentage of Noteholders may pass a Resolution which is put to a meeting of Noteholders than would be required for a Written Resolution in respect of the same matter. There are however quorum provisions which provide that a minimum number of Noteholders representing a minimum amount of the aggregate Principal Amount Outstanding of the applicable Class or Classes of Notes be present at any meeting to consider a Resolution. The quorum required for a meeting of Noteholders (other than an adjourned meeting or a meeting of a particular Class or Classes) to pass an Extraordinary Resolution is one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable) and, in the case of an Ordinary Resolution, this is one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of each Class of Notes (or the relevant Class or Classes only, if applicable). In both cases, the quorum is less at an adjourned meeting. The voting threshold at any Noteholders' meeting in respect of an Ordinary Resolution or an Extraordinary Resolution of all Noteholders is, respectively, more than 50 per cent. or at least 66 2/3 per cent. of the aggregate of the Principal Amount Outstanding of the Notes of each Class represented at the meeting. Accordingly, it is likely that, at any meeting of the Noteholders, an Ordinary Resolution or an Extraordinary Resolution may be passed with less than 50 per cent. or 66 2/3 per cent. respectively of all the Noteholders of each Class of Notes or relevant Class or Classes of Notes, as applicable. Such quorum provisions still, however, require considerably lower thresholds than would be required for a Written Resolution.

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).

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

Certain entrenched rights relating to the Terms and Conditions can only be amended or waived by the passing of an Extraordinary Resolution. It should however be noted that amendments may still be effected and waivers may still be granted in respect of such provisions in circumstances where not all Noteholders agree with the terms thereof and any amendments or waivers once passed in accordance with the provisions of the Terms and Conditions and the provisions of the Trust Deed will be binding on all such dissenting Noteholders. In addition to the Trustee's right to agree to changes to the Transaction Documents to correct a manifest error, or to changes which, in its opinion, are not materially prejudicial to the interests of the Noteholders of any Class without the consent of the Noteholders, modifications may also be made and waivers granted in respect of certain other matters, which the Trustee is obliged to consent to without the consent of the Noteholders as set out in Condition 14(c) (*Modification and Waiver*).

2.19. Enforcement Rights Following an Event of Default

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

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 of certain Classes of Notes and, in particular, the Subordinated Notes.

2.20. Certain ERISA Considerations

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

2.21. Forced Transfer

Each initial purchaser of an interest in a Rule 144A Note and each transferee of an interest in a Rule l44A Note will be deemed to represent at the time of purchase that, amongst other things, the purchaser is a QIB/QP. In

addition each Noteholder will be deemed or in some cases required to make certain representations in respect of ERISA.

The Trust Deed will provide that if, notwithstanding the restrictions on transfer contained therein, the Issuer determines (i) that any holder of an interest in a Rule 144A Note is (a) a U.S. person as defined under Regulation S under the Securities Act (a "**U.S. Person**") and (b) is not a QIB/QP at the time it acquires an interest in a Rule l44A Note (any such person, a "**Non-Permitted Noteholder**"); or (ii) that any holder of an interest in a Note is a Noteholder that has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (a "**Non-Permitted ERISA Noteholder**"); or (iii) that any holder of an interest in a Note is a Noteholder who (a) has failed to provide any information necessary in order to enable the Issuer to comply with its obligations under FATCA or (b) otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Issuer shall, promptly after determination that such person is a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder by the Issuer, send notice to such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder (as applicable) demanding that such Noteholder transfer its interest to a person that is not a Non-Permitted Noteholder or Non-Permitted ERISA Noteholder or Non-Permitted FATCA Noteholder (as applicable) within 30 days (or 14 days in the case of a Non-Permitted ERISA Noteholder) of the date of such notice. If such Noteholder fails to effect the transfer required within such 30-day period (or 14-day period in the case of a Non-Permitted ERISA Noteholder), (a) the Issuer, or the Collateral Manager on its behalf, shall cause such beneficial interest to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with Section 9-610 of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value) to a person or entity that certifies to the Issuer, in connection with such transfer, that such person or entity either is not a U.S. Person or is a QIB/QP and is not a Non-Permitted ERISA Noteholder and is not a Non-Permitted FATCA Noteholder and (b) pending such transfer, no further payments will be made in respect of such beneficial interest.

2.22. U.S. Tax Characterisation of the Notes

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

The Issuer has agreed and, by its acceptance of a Rated Note, each Noteholder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat the Rated Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes. The determination of whether a Note will or should be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued. Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the IRS will not seek to characterise as something other than indebtedness any particular Class or Classes of the Rated Notes. If any of the Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences might apply. See "*Tax Considerations – United States Federal Income Taxation – - Alternative Characterisation of the Rated Notes*".

The Issuer has agreed and, by its acceptance of a Subordinated Note, each holder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat such Subordinated Note as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law.

2.23. Investment Company Act

The Issuer has not registered, and will not register, 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.

3. RELATING TO THE COLLATERAL

3.1. The Portfolio

The decision by any prospective holder of Notes to invest in such Notes should be based, among other things (including, without limitation, the identity of the Collateral Manager), on the Eligibility Criteria (and Reinvestment Criteria, when applicable) which each Collateral Obligation is required to satisfy, as disclosed in this Offering Circular, and on the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests, the Reinvestment Overcollateralisation Test 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 Offering Circular does not contain any information regarding the individual Collateral Obligations on which the Notes will be secured from time to time. Purchasers of any of the Notes will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Issuer and, accordingly, will be dependent upon the judgment and ability of the Collateral Manager in acquiring investments for purchase on behalf of the Issuer over time. No assurance can be given that the Issuer will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the Issuer will be achieved.

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

3.2. Nature of Collateral; Defaults

The Issuer will invest in a portfolio of Collateral Obligations consisting at the time of acquisition of predominantly Senior Obligations, 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, interest rate and exchange rate risks.

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

Due to the fact that the Subordinated Notes represent a leveraged investment in the underlying Collateral 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 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 Obligations. See "*Ratings of the Notes*". There is no assurance that actual losses will not exceed such assumed losses. If any losses exceed such assumed levels,

payments on the Notes could be adversely affected by such defaults. To the extent that a default occurs with respect to any Collateral Obligation securing the Notes and the Issuer sells or otherwise disposes of such Collateral 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 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 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 Obligations whose prices have risen or to acquire Collateral 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 its net asset value to decline as the value of unsold positions is marked to lower prices. A decrease in the Market Value of the Collateral Obligations would also adversely affect the proceeds of sale that could be obtained upon the sale of the Collateral 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 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.

3.3. Acquisitions of Collateral Obligations and Purchase Price for such Acquisitions

Although the Collateral Manager is required to determine in accordance with the Collateral Management and Administration Agreement that each Collateral Obligation satisfies the Eligibility Criteria at the time of entering into a binding commitment to purchase it, it is possible that a Collateral Obligation may no longer satisfy such Eligibility Criteria on the later settlement of the acquisition thereof due to intervening events. The requirement that the Collateral Manager determines in accordance with the Collateral Management and Administration Agreement that the Eligibility Criteria are satisfied applies only at the time that any commitment to purchase a Collateral Obligation is entered into (or, in the case of Collateral Obligations acquired pursuant to the Forward Purchase Agreement, on both the date as at which the Forward Purchase Agreement takes effect and the Issue Date) and any failure by such Collateral Obligation to satisfy the Eligibility Criteria at a later stage will not result in any requirement to sell it or take any other action.

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

The Issuer has committed to purchase from NIBC Bank N.V. and certain other sellers certain Collateral Obligations (including, but not limited to, Collateral Obligations purchased pursuant to the Forward Purchase Agreement) on or following the Issue Date. The prices paid for such Collateral Obligations will be the prevailing prices and in market circumstances applicable on the date on which the pricing of the Notes was determined, being 12 December 2013. Such purchase prices may be greater or less than the market value thereof on the Issue Date or, if later, the date on which the relevant purchases settle. Events occurring between the date of on which such prices are determined and the date the Issuer acquires such Collateral Obligations, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the relevant Obligors 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 such Collateral Obligations. Investors in the Notes will be assuming the risk of market value and credit quality changes in such Collateral Obligations from the date on which such prices are determined, including during the period prior to the Issue Date.

3.4. Considerations Relating to the Initial Investment Period

During the Initial Investment Period, the Collateral Manager acting on behalf of the Issuer, will seek to acquire additional Collateral Obligations or Substitute Collateral Obligations in order to satisfy each of the Coverage Tests, Collateral Quality Tests, Portfolio Profile Tests and Target Par Amount requirement as at the Effective Date. See "*The Portfolio*". The ability to satisfy such tests and requirement will depend on a number of factors beyond the control of the Issuer and the Collateral Manager, including the availability of obligations that satisfy the Eligibility Criteria and other Portfolio related requirements in the primary and secondary loan markets, the condition of the financial markets, general economic conditions and international political events. Therefore, there can be no assurance that such tests and requirements will be met. To the extent such additional Collateral Obligations or Substitute Collateral Obligations are not purchased, the level of income receivable by the Issuer on the Collateral and therefore its ability to meet its interest payment obligations under the Notes, together with the weighted average lives of the Notes, may be adversely affected. Any failure by the Collateral Manager (on behalf of the Issuer) to acquire such additional Collateral Obligations or Substitute Collateral Obligations 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 and therefore reduce the leverage ratio of the Subordinated Notes to the other Classes of Notes which could adversely affect the level of returns to the holders of the Subordinated Notes. Any such redemption of the Notes may also adversely affect the risk profile of Classes of Notes in addition to the Subordinated Notes to the extent that the amount of excess spread capable of being generated in the transaction reduces as the result of redemption of the most senior ranking Classes of Notes in accordance with the Note Payment Sequence which bear a lower rate of interest than the remaining Classes of Rated Notes.

3.5. Maximum Par Amount and Restriction on Par-Building

Pursuant to the Reinvestment Criteria, the Collateral Principal Amount may not at any time exceed the Maximum Par Amount. As a result, the Collateral Manager may be prevented from reinvesting available proceeds into Collateral Obligations in circumstances where such reinvestment would have resulted in such restriction being breached and, therefore, the Collateral Principal Amount backing the Notes may be less than what would otherwise have been the case if not for such restriction on the Collateral Manager's ability to par-build through reinvestments.

3.6. 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 Obligations which will secure the Notes will be predominantly comprised of Senior Obligations and Mezzanine Obligations lent to or issued by a variety of Obligors with a principal place of business in a Qualifying Country and such Obligors are primarily rated below investment grade.

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

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

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

Characteristics of Senior Obligations and Mezzanine Obligations

The Portfolio Profile Tests provide that as of the Effective Date, at least 90 per cent. of the Collateral Principal Amount must consist of Secured Senior Floating Rate Obligations (which shall comprise for this purpose the aggregate of the Aggregate Principal Balance of the Secured Senior Floating Rate Obligations and the Balance standing to the credit of the Principal Account and the Unused Proceeds Account, including Eligible Investments acquired with such Balances, in each case as at the relevant Measurement Date). Senior Obligations and Mezzanine Obligations are of a type generally incurred by the Obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, pay dividends or other distributions to the equity holders in the Obligor, or finance acquisitions, mergers, and/or stock purchases. As a result of the additional debt incurred by the Obligor in the course of such a transaction, the Obligor's creditworthiness is typically judged by the rating agencies to be below investment grade. Secured Senior Obligations and Unsecured Senior 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 Obligations or to any other senior debt of the Obligor. Secured Senior Obligations are often secured by specific collateral, including but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the Obligor and its subsidiaries and any applicable associated liens relating thereto. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. Senior Obligations are typically in the form of loans, but may also in certain cases be in the form of a security, which may present different risks and concerns. Mezzanine Obligations may have the benefit of a second priority charge over such assets. Unsecured Senior Obligations do not have the benefit of such security. Secured Senior Obligations 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.

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 Obligations 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 Underlying Instrument) or other index, which may reset daily (as most prime or base rate indices do) or offer the Obligor a choice of one, two, three, six, nine or twelve month interest and rate reset periods. The purchaser of an interest in a Senior Obligation or Mezzanine Obligation may receive certain syndication or participation fees in connection with its purchase. Other fees payable in respect of a Senior Obligation or Mezzanine Obligation, which are separate from interest payments on such loan, may include facility, commitment, amendment and prepayment fees.

Senior Obligations and Mezzanine Obligations also generally provide for restrictive covenants designed to limit the activities of the Obligors thereunder in an effort to protect the rights of lenders to receive timely payments of interest on, and repayment of, principal of the loans. Such covenants may include restrictions on dividend payments, specific mandatory minimum financial ratios, limits on total debt and other financial tests. A breach of covenant (after giving effect to any cure period) under a Senior Obligation or Mezzanine Obligation which is not waived by the lending syndicate normally is an event of acceleration which allows the syndicate to demand

immediate repayment in full of the outstanding loan. However, although any particular Senior Obligation or Mezzanine Obligation may share many similar features with other loans and obligations of its type, the actual term of any Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will be unique. Any such particular loan may contain non-standard terms and may provide less protection for creditors than may be expected generally, including in respect of covenants, events of default, security or guarantees.

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

In order to induce banks and institutional investors to invest in a Senior Obligation 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 Underlying Instrument including such Senior Obligation or Mezzanine Obligation, and the private syndication of the loan, Senior Obligations 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 Obligations and Mezzanine Obligations have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened significantly to include money managers, insurance companies, arbitrageurs, bankruptcy investors and mutual funds seeking increased potential total returns and investment managers of trusts or special purpose companies issuing collateralised bond and loan obligations. As secondary market trading volumes increase, new loans are frequently adopting more standardised documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide the degree of liquidity which currently exists in the market. This means that such assets will be subject to greater disposal risk in the event that such assets are sold following enforcement of the security over the Collateral or otherwise. The European market for Mezzanine Obligations is also generally less liquid than that for Senior Obligations, resulting in increased disposal risk for such obligations.

Increased Risks for Mezzanine Obligations

The fact that Mezzanine Obligations are generally subordinated to any Senior Obligation 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 Obligations. They are often entered into in connection with leveraged acquisitions or recapitalisations in which the Obligors thereunder incur a substantially higher amount of indebtedness than the level at which they previously operated and, as referred to above, sit at a subordinated level in the capital structure of such companies.

Prepayment Risk

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

Defaults and Recoveries

There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on Senior Obligations and Mezzanine Obligations and no assurance can be given as to the levels of default and/or recoveries that may apply to any Senior Obligations and Mezzanine Obligations purchased by the Issuer. As referred to above, although any particular Senior Obligation and Mezzanine Obligation often will share

many similar features with other loans and obligations of its type, the actual terms of any particular Senior Obligation or Mezzanine Obligation will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on both Senior Obligations and Mezzanine Obligations may also be affected by the different bankruptcy regimes applicable in different jurisdictions, the availability of comprehensive security packages in different jurisdictions and the enforceability of claims against the Obligors thereunder.

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

A non-investment grade loan or debt obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial change in the interest rate, a substantial write-down of principal, a conversion of some or all of the principal debt into equity, 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 Obligor 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 Obligors 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 likely that the proceeds from such sale will be less than 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 both Senior Obligations and Mezzanine Obligations will also be affected by the different bankruptcy regimes applicable in different European jurisdictions and the enforceability of claims against the Obligors thereunder. See 3.16 (*Insolvency Considerations relating to Collateral Obligations*) below.

Characteristics of Second Lien Loans

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

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

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

Investing in Cov-Lite Loans involves certain risks

The Portfolio Profile Tests provide that not more than 10 per cent. of the Collateral Principal Amount can consist of 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 Collateral Obligations.

3.7. Participations, Novations and Assignments

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

The purchaser of an Assignment typically succeeds to all the rights of the assigning Selling Institution and becomes entitled to the benefit of the loans and the other rights of the lender under the Underlying Instrument. The Issuer, as an assignee, will generally have the right to receive directly from the Obligor all payments of principal and interest to which it is entitled, provided that notice of such Assignment has been given to the Obligor. As a purchaser of an Assignment, the Issuer typically will have the same voting rights as other lenders under the applicable Underlying Instrument 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 Obligor with the terms of the Underlying Instrument, to set off claims against the Obligor 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 Obligor. The Issuer will, however, assume the credit risk of the Obligor. The Underlying Instrument 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 Underlying Instruments, 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 Obligor 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 Obligor. In purchasing Participations, the Issuer generally will have no right to enforce compliance by the Obligor with the terms of the applicable Underlying Instrument 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 Obligor 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 Obligor and the Issuer may suffer a loss to the extent that the Obligor 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 Underlying Instrument and the continuing creditworthiness of the Obligor. 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 Obligor. 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 Obligations that may comprise Participations as a proportion of the Collateral Principal Amount.

3.8. Bridge Loans

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

3.9. Collateral Enhancement Obligations

All funds required in respect of the purchase price of any Collateral Enhancement Obligations and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the Balance standing to the credit of the Supplemental Reserve Account at the relevant time. Such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager, acting on behalf of the Issuer, determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments rather than being paid to the Subordinated Noteholders. The aggregate amount which may be credited to the Supplemental Reserve Account in accordance with the Priorities of Payments are subject to the following caps: (i) the lower of (a) €150,000 and (b) 5 per cent. of available Interest Proceeds in aggregate on any particular Payment Date and (ii) the cumulative maximum aggregate total in respect of all Payment Dates may not exceed €1,000,000.

The Collateral Manager is under no obligation whatsoever to exercise its discretion (acting on behalf of the Issuer) to take any of the actions described above and the Balance standing to the credit of the Supplemental Reserve Account may also or alternatively be used to fund the purchase of additional Collateral Obligations or Substitute Collateral Obligations. There can therefore be no assurance that the Balance standing to the credit of the Supplemental Reserve Account will be sufficient to fund the exercise of any right or option under any Collateral Enhancement Obligation at any time. The ability of the Collateral Manager (acting on behalf of the Issuer) to exercise any rights or options under any Collateral Enhancement Obligation will be dependent upon there being sufficient amounts standing to the credit of the Supplemental Reserve Account to pay the costs of any such exercise. Failure to exercise any such right or option may result in a reduction of the returns to the Subordinated Noteholders (and, potentially, Noteholders of other Classes).

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

3.10. Counterparty Risk

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

In the event that a Hedge Counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement, the terms of the applicable Hedge Agreement will generally provide for a termination event unless such Hedge Counterparty either transfers its obligations under the applicable Hedge Agreement to a replacement counterparty with the requisite ratings, obtains a guarantee of its obligations by a guarantor with the requisite ratings, collateralises its obligations in a manner satisfactory to the Rating Agencies or employs some other strategy as results in the rating of the Rated Notes being maintained at their then current level within the remedy period specified in the ratings criteria of the Rating Agencies. There can be no assurance that the applicable Hedge Counterparty will be able to transfer its obligations to a suitable replacement counterparty or exercise any of the other aforementioned remedies within the specified remedy period. For further information, see "*Hedging Arrangements*" below.

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

3.11. Concentration Risk

The Issuer will invest in a Portfolio of Collateral Obligations consisting of Senior Obligations 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*".

3.12. Credit Risk

Risks applicable to Collateral 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 Obligations during periods of rising interest rates and economic downturn. An economic downturn could severely disrupt the market for leveraged loans and adversely affect the value thereof and the ability of the obligor thereunder to repay principal and interest.

3.13. Interest Rate Risk

The Notes (other than the Class A-2 Notes and the Class B-2 Notes) accrue interest at a floating rate. It is possible that Collateral Obligations may bear interest at fixed rates and there is no requirement that the amount or portion of Collateral Obligations securing the Notes must bear interest on a particular basis, save for the Portfolio Profile Test which requires that not more than 10 per cent. of the Collateral Principal Amount may comprise Fixed Rate Collateral Obligations.

In addition, any payments of principal or interest received in respect of Collateral Obligations and not otherwise reinvested during the Reinvestment Period in additional Collateral Obligations or Substitute Collateral Obligations will generally be invested in Eligible Investments until shortly before the next Payment Date. There is no requirement that such Eligible Investments bear interest on a particular basis, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of these factors, it is expected that there may be a fixed/floating rate mismatch, floating rate basis mismatch (including in the case of Collateral Obligations or Eligible Investments which pay a floating rate based on a benchmark other than EURIBOR), maturity date mismatch, and mismatch in timing of determination of the applicable floating rate benchmark, in each case, between the Notes and the underlying Collateral Obligations and Eligible Investments. Such mismatch may be material and may change from time to time as the composition of the related Collateral Obligations and Eligible Investments change and as the liabilities of the Issuer accrue or are repaid. As a result of such mismatches, changes in the level of the applicable floating rate benchmark could adversely affect the ability to make payments on the Notes. In addition, pursuant to the Collateral Management and Administration Agreement, the Collateral Manager, acting on behalf of the Issuer, is authorised to enter into the Hedge Transactions in order to mitigate such interest rate mismatch from time to time, subject to receipt in each case of Rating Agency Confirmation in respect thereof and subject to satisfaction of the Hedging Condition, discussed in "*Commodity Pool Regulation*" above. However, the Issuer will depend on each Hedge Counterparty to perform its obligations under any Hedge Transaction to which it is a party and if any Hedge Counterparty defaults or becomes unable to perform due to insolvency or otherwise, the Issuer may not receive payments it would otherwise be entitled to from such Hedge Counterparty to cover its interest rate risk exposure.

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

3.14. Currency Risk

Subject to the satisfaction of the Hedging Condition, the Collateral Manager, on behalf of the Issuer, may purchase Non-Euro Obligations, provided that such Non-Euro Obligations otherwise satisfy the Eligibility Criteria. Although the Issuer shall, subject to the satisfaction of the Hedging Condition, enter into Currency Hedge Transactions to hedge any currency exposure relating to such Non-Euro Obligations, fluctuations in exchange rates may lead to the proceeds of the Collateral Obligations being insufficient to pay all amounts due to the respective Classes of Notes.

Notwithstanding that Non-Euro Obligations are required to have an associated Currency Hedge Transaction losses may be incurred due to fluctuations in the Euro exchange rates and in the event of a default by the relevant Currency Hedge Counterparty under any such Currency Hedge Transaction. In addition, fluctuations in Euro exchange rates may result in a decrease in value of the Portfolio for the purposes of sale thereof upon enforcement of the security over it.

In addition, it may be necessary for the Issuer to make substantial up-front payments in order to enter into currency hedging arrangements on the terms required by the Collateral Management and Administration Agreement, and the Issuer's ongoing payment obligations under such Currency Hedge Transactions (including any termination payments) may be significant. The payments associated with such hedging arrangements generally rank senior to payments on the Notes.

Defaults, trading and other events increase the risk of a mismatch between the foreign exchange Currency Hedge Transactions and the Non-Euro Obligations which may result in losses. In addition, the Collateral Manager may be limited at the time of reinvestment in the choice of Non-Euro Obligations that it is able to purchase on behalf of the Issuer because of the cost of such hedging and due to restrictions in the Collateral Management and Administration Agreement with respect to such hedging.

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

3.15. Investment Risk and Uninvested Cash Balances

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

During the Initial Investment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to ramp up the Portfolio by acquiring Collateral Obligations on behalf of the Issuer. Furthermore, during the Reinvestment Period, subject to compliance with certain criteria and limitations described herein, the Collateral Manager will have discretion to dispose of certain Collateral Obligations on behalf of the Issuer and to reinvest the proceeds thereof in Substitute Collateral Obligations in compliance with the Reinvestment Criteria. In addition, during the Reinvestment Period, to the extent that any Collateral Obligations prepay or mature prior to the Maturity Date, the Collateral Manager will seek to invest the proceeds thereof in Substitute Collateral Obligations, subject to the Eligibility Criteria and the Reinvestment Criteria. The yield with respect to such Substitute Collateral Obligations will depend, among other factors, on reinvestment rates available at the time, on the availability of investments which satisfy the Eligibility Criteria and 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 the Eligibility Criteria and the Reinvestment Criteria (as applicable) and identify acceptable investments may require the purchase of Collateral Obligations with a lower yield than those replaced, with different characteristics than those replaced (including, but not limited to, coupon, maturity, call features and/or credit quality) or require that such funds be maintained in cash or Eligible Investments pending reinvestment in Substitute Collateral Obligations, which will further reduce the yield of the Adjusted Collateral Principal Amount. Any decrease in the yield on the Adjusted Collateral Principal Amount will have the effect of reducing the amounts available to make distributions on the Notes

which will adversely affect cash flows available to make payments on the Notes, especially the most junior Class or Classes of Notes. There can be no assurance that in the event Collateral Obligations are sold, prepaid, or mature, yields on Collateral Obligations that are eligible for purchase will be at the same levels as those replaced and there can be no assurance that the characteristics of any Substitute Collateral Obligations purchased will be the same as those replaced and there can be no assurance as to the timing of the purchase of any Substitute Collateral Obligations.

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

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

3.16. Ratings on Collateral 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 Obligations. Generally, deteriorations in the business environment or increases in the business risks facing any particular Obligor may result in downgrade of its obligations, which may result in such obligation becoming a Credit Risk Obligation, a S&P CCC 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 and Administration Agreement contains detailed provisions for determining the S&P Rating and the Fitch Rating. In most instances, the S&P Rating and the Fitch Rating will not be based on or derived from a public rating of the Obligor or the actual Collateral Obligation. In most cases, the Fitch Rating and S&P Rating in respect of a Collateral Obligation will be based on a confidential credit estimate determined separately by S&P and/or 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. In certain cases the S&P or Fitch Rating may be derived from a public rating assigned by a different rating agency. Such derived ratings will not reflect detailed credit analysis of the particular Collateral Obligation and may reflect a more or less conservative view of the actual credit risk of such Collateral Obligation than any fundamental credit analysis might, if conducted, warrant. Furthermore 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 Obligation in question. Please see "*Ratings of the Notes*" and "*The Portfolio*".

3.17. Insolvency Considerations relating to Collateral Obligations

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

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

3.18. Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States and other jurisdictions have upheld the right of Obligors 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 Obligor or has assumed a degree of control over the Obligor resulting in the creation of a fiduciary duty owed to the Obligor 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 Obligor to the detriment of other creditors of such Obligor, (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 Obligor to the detriment of other creditors of such Obligor, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "**equitable subordination**". Because of the nature of the Collateral Obligations, the Issuer may be subject to claims from creditors of an Obligor that Collateral Obligations issued by such Obligor that are held by the Issuer should be equitably subordinated. However, the Issuer does not intend to engage in, and the Collateral Manager does not intend to advise the Issuer with respect to, any conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine.

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

3.19. Changes in Tax Law; No Gross Up; General

At the time when they are acquired by the Issuer, the Eligibility Criteria require that payments of interest on the Collateral Obligations either will not be reduced by any withholding tax imposed by any jurisdiction or, if and to the extent that any such withholding tax does apply, the relevant Obligor will be obliged to make gross up payments to the Issuer that cover the full amount of such withholding tax. However, there can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Collateral Obligations might not in the future become subject to withholding tax or increased withholding rates in respect of which the relevant Obligor will not be obliged to gross up to the Issuer. In such circumstances, the Issuer may be able, but will not be obliged, to take advantage of (a) a double taxation treaty between The Netherlands and the jurisdiction from which the relevant payment is made, (b) the current applicable law in the jurisdiction of the Obligor or (c) the fact that the Issuer has taken a Participation in such Collateral Obligations from a Selling Institution which is able to pay interest payable under such Participation gross if paid in the ordinary course of its business. In the event that the Issuer receives any interest payments on

any Collateral Obligation net of any applicable withholding tax, the Coverage Tests and Collateral Quality Tests will be determined by reference to such net receipts. Such tax would also reduce the amounts available to make payments on the Notes. There can be no assurance that remaining payments on the Collateral Obligations would be sufficient to make timely payments of interest, principal on the Maturity Date and other amounts payable in respect of the Notes of each Class. The 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*).

3.20. Collateral Manager

The Collateral Manager is given authority in the Collateral Management and Administration Agreement to act as Collateral Manager to the Issuer in respect of the Portfolio pursuant to and in accordance with the parameters and criteria set out in the Collateral Management and Administration Agreement. See "*The Portfolio*" and "*Description of the Collateral Management and Administration Agreement*". The powers and duties of the Collateral Manager in relation to the Portfolio include effecting, on behalf of the Issuer, in accordance with the provisions of the Collateral Management and Administration Agreement: (a) the acquisition of Collateral Obligations during the Reinvestment Period; (b) the sale of Collateral Obligations during the Reinvestment Period (subject to certain limits) and, at any time, upon the occurrence of certain events (including a Collateral Obligation becoming a Defaulted Obligation, a Credit Improved Obligation or a Credit Risk Obligation); and (c) the participation in restructuring and work-outs of Collateral Obligations on behalf of the Issuer. See "*The Portfolio*". Any analysis by the Collateral Manager (on behalf of the Issuer) of Obligors under Collateral Obligations which it is purchasing (on behalf of the Issuer) or which are held in the Portfolio from time to time will, in respect of Collateral Obligations which are publicly listed bonds, be limited to a review of readily available public information and in respect of Collateral Obligations which are bonds which are not publicly listed, any analysis by the Collateral Manager (on behalf of the Issuer) will be in accordance with standard review procedures for such type of bonds and, in respect of Collateral Obligations which are Assignments or Participations of senior and mezzanine loans and in relation to which the Collateral Manager has non public information, such analysis will include due diligence of the kind common in relation to senior and mezzanine loans of such kind.

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

The Issuer is a newly formed entity and has no operating history or performance record of its own. The actual performance of the Issuer will depend on numerous factors which are difficult to predict and may be beyond the control of the 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**") 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 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. Because the composition of the Collateral Obligations will vary over time, the performance of the Collateral Obligations depends heavily on the skills of the Collateral Manager in analysing, selecting and managing the Collateral Obligations. As a result, the Issuer will be highly dependent on the financial and managerial experience of the investment professionals employed by the Collateral Manager who are assigned to select and manage the Collateral Obligations and perform the other obligations of the Collateral Manager under the Collateral Management and Administration Agreement. There is no assurance that such persons will continue to be employed by the Collateral Manager or involved in investment activities of the Issuer throughout the life of the transaction. The Issuer is not a direct beneficiary of employment

arrangements between the Collateral Manager and its employees, which arrangements are in any event subject to change without notice to, or the consent of, the Issuer. The loss of any such persons could have a material adverse effect on the Collateral Obligations. Furthermore, the Collateral Manager may hire replacement employees that may not have the same level of experience in selecting and managing loans and debt securities and performing such other obligations as the persons they replace. Any such change in personnel performing such obligations may have an adverse effect on the Portfolio and the Issuer's ability to make payments on the Notes.

The Collateral Manager's duties and obligations under the Collateral Management and Administration Agreement are owed solely to the Issuer (and, to the extent of the Issuer's security assignment of its rights under the Collateral Management and Administration Agreement, the Trustee). The Collateral Manager is not in contractual privity with, and owes no separate duties or obligations to, any of the Noteholders. Actions taken by the Collateral Manager may differentially affect the interests of the various Classes of Notes (whose Noteholders may themselves have different interests), and except as provided in the Collateral Management and Administration Agreement or the other Transaction Documents, the Collateral Manager has no obligation to consider such differential effects or different interests.

In addition, the Collateral Manager may resign or be removed in certain circumstances, including a removal for cause by (i) the Issuer at the direction of the Controlling Class (acting by Ordinary Resolution) or (ii) (other than a removal resulting from the Par Value Ratio in respect of the Controlling Class of Noteholders being less than 100 per cent.) holders of the Subordinated Notes acting by Extraordinary Resolution, or without cause at any time by holders of more than 50 per cent. of the Principal Amount Outstanding of the Controlling Class (in each case, excluding Notes held by the Collateral Manager or any of its Affiliates), each as further described herein under "*Description of the Collateral Management and Administration Agreement*". There can be no assurance that any successor manager would have the same level of skill in performing the obligations of the Collateral Manager, in which event payments on the Notes could be reduced or delayed.

The Collateral Manager is not required to devote all of its time to the performance of the Collateral Management and Administration Agreement and will continue to advise and manage other investment funds in the future.

The past performance of any portfolio or investment vehicle managed by the Collateral Manager, any of its Affiliates or their current personnel at prior places of employment may not be indicative of the results that the Issuer may be able to achieve with the Collateral Obligations. Similarly, the past performance of the Collateral Manager, any of its Affiliates and their current personnel at a prior place of employment over a particular period may not be indicative of the results that may occur in future periods. Furthermore, the nature of, and risks associated with, the Issuer's investments may differ from those investments and strategies undertaken in connection with such other portfolios or investment vehicles. There can be no assurance that the Issuer's investments will perform as well as such past investments, that the Issuer will be able to avoid losses or that the Issuer will be able to make investments similar to such past investments. In addition, such past investments may have been made utilising a capital structure and an asset mix that are different from the anticipated capital structure and/or asset mix of the Issuer. Moreover, because the investment criteria that govern investments in the Portfolio do not govern the investments and investment strategies of the Collateral Manager generally, the Portfolio, and the results it yields, are not directly comparable with, and may differ substantially from, other portfolios advised by the Collateral Manager or any of its Affiliates and its current personnel at prior places of employment.

3.21. No Arranger, Joint Lead Manager and Bookrunner Role Post-Closing

The Arrangers, Joint Lead Managers and Bookrunner take no responsibility for, and have 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 Arrangers, Joint Lead Managers, Bookrunner or their Affiliates own 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. For the avoidance of doubt, references to Arrangers and Joint Lead Managers in this paragraph includes a reference to NIBC Bank N.V. solely in its capacity as Co-Arranger and Joint Lead Manager and not in its capacity as Collateral Manager.

3.22. Acquisition and Disposition of Collateral Obligations

The estimated net proceeds of the issue of the Notes after payment of fees payable on or about the Issue Date are expected to be approximately €301,786,285. The Issuer will use such proceeds (a) to pay certain fees and expenses and/or transfer funds to the Expense Reserve Account to meet such fees and expenses and (b) to acquire Collateral Obligations complying with the Eligibility Criteria during the Initial Investment Period. The Collateral Manager's decisions concerning purchases of Collateral Obligations will be influenced by a number of factors, including market conditions and the availability of securities and loans satisfying the Eligibility Criteria, Reinvestment Criteria and the other requirements of the Collateral Management and Administration Agreement. The failure or inability of the Collateral Manager to acquire Collateral Obligations with the proceeds of the offering or to reinvest Sale Proceeds or payments and prepayments of principal in Substitute Collateral Obligations in a timely manner will adversely affect the returns on the Notes, in particular with respect to the most junior Class or Classes.

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

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

3.23. Regulatory Risk

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

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

3.24. Valuation Information; Limited Information

None of the Arrangers, the Joint Lead Managers, the Bookrunner, the Collateral Manager or any other transaction party will be required to provide periodic pricing or valuation information to investors. Investors will receive limited information with regard to the Collateral Obligations and none of the transaction parties (including the Issuer, Trustee and Collateral Manager) will be required to provide any information other than what is required in the Trust Deed or the Collateral Management and Administration Agreement. Furthermore, if any information is provided to the Noteholders (including required reports under the Trust Deed), such information may not be audited. Finally, the Collateral Manager may be in possession of material, non-public information with regard to the Collateral Obligations and will not be required to disclose such information to the Noteholders.

3.25. The Issuer is subject to Risks, including the Location of its Centre of Main Interest

The Issuer has its registered office in The Netherlands. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in The Netherlands and consequently that any main insolvency proceedings applicable to it would be governed by Dutch 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 The Netherlands, currently has three Dutch managing directors and is registered for tax in The Netherlands, 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 The Netherlands, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in The Netherlands.

4. CONFLICTS OF INTEREST

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

Certain Conflicts of Interest Involving or Relating to NIBC Bank N.V. and its Affiliates

Investors should note that NIBC Bank N.V. acts in several different capacities in respect of the transaction. As well as being the Collateral Manager, NIBC Bank N.V. (a) may (or, in the case of the Retention Notes, shall) purchase and hold Notes, (b) will act as a seller in respect of the initial portfolio of Collateral Obligations to be purchased by the Issuer pursuant to the Forward Purchase Agreement and may act as seller in respect of further Collateral Obligations from time to time, (c) may have been involved in the origination of some Collateral Obligations and (d) acts as the Co-Arranger and a Joint Lead Manager in respect of the offering and distribution of the Notes. Various potential and actual conflicts of interest may exist from the overall advisory, investment, capital markets and other activities of NIBC Bank N.V., its Affiliates or any director, officer or employee of such investing for their own accounts or for the accounts of others.

The following briefly summarises various potential and actual conflicts of interest that may arise from the overall activities of NIBC Bank N.V., its Affiliates and their respective clients and employees, but is not intended to be an exhaustive list of all such conflicts. References in this conflicts discussion to the Collateral Manager include its Affiliates unless otherwise specified or the context otherwise requires.

Certain inherent conflicts of interest arise from the fact that the Collateral Manager and its Affiliates provide investment management services both to the Issuer and other clients, including other collateralised debt obligation vehicles, other investment funds, and any other investment vehicles that the Collateral Manager and its Affiliates may establish from time to time (the "**Other Funds**"), as well as client accounts (including one or more managed accounts (or other similar arrangements, including those that may be structured as one or more entities) and proprietary accounts managed by the Collateral Manager and its Affiliates in which the Issuer will not have an interest (the "**Other Accounts**"). The respective investment programs of the Issuer and the Other Accounts may or may not be substantially similar. The Collateral Manager and its Affiliates may give advice and recommend securities to Other Accounts which may differ from advice given to, or securities recommended or bought for, the Issuer, even though their investment objectives may be the same or similar to those of the Issuer.

While the Collateral Manager will seek to manage potential conflicts of interest in good faith, the portfolio strategies employed by the Collateral Manager and its Affiliates in managing their respective Other Accounts could conflict with the transactions and strategies employed by the Collateral Manager in managing on behalf of the Issuer and may affect the prices and availability of the securities and instruments in which the Issuer invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Issuer and Other Accounts. However, 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 the account of the Issuer (or share with the Issuer, or inform the Issuer of, any such transaction or any benefit received by them from any such transaction) or to inform the Issuer of any investment opportunities before offering any investment opportunities

to the Other Funds or the Other Accounts. Furthermore, the Collateral Manager and/or its Affiliates may make an investment on behalf of any account that they manage or advise, or may make an investment on their own behalf, without offering the investment opportunity to or making any investment on behalf of the Issuer. The Collateral Manager and/or its Affiliates have no affirmative obligation to offer any investments to the Issuer or to inform the Issuer of any investments before offering, or engaging in, any investments for the Other Accounts or themselves. Affirmative obligations may exist or may arise in the future, whereby the Collateral Manager and/or its Affiliates are obligated to offer certain investments to the Other Accounts before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any of its Affiliates or the account of its other clients. The Collateral Manager will endeavour to resolve conflicts with respect to investment opportunities in a manner which it deems equitable to the extent possible under the prevailing facts and circumstances.

From time to time, the Issuer and the Other Accounts may make investments at different levels of an issuer's capital structure or otherwise in different classes of an issuer's securities. Such investments may inherently give rise to conflicts of interest or perceived conflicts of interest between or among the various classes of securities that may be held by such entities.

To the extent the Issuer holds securities that are different (including with respect to their relative seniority) than those held by an Other Account, the Collateral Manager and its Affiliates may be presented with decisions when the interests of the two funds are in conflict. If the Issuer makes or has an investment in, or, through the purchase of debt obligations becomes a lender to, a company in which an Other Account has a debt or an equity investment, the Collateral Manager may have conflicting loyalties between their duties to the Issuer and to its Affiliates. In addition, conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. In that regard, actions may be taken for the Other Accounts that are adverse to the Issuer. In connection with negotiating senior loans and bank financings in respect of transactions sponsored by the Collateral Manager and its Affiliates, the Collateral Manager may obtain the right to participate on its own behalf (or on behalf of vehicles that it manages) in a portion of the senior term financings with respect to such transactions on an agreed upon set of terms. The Collateral Manager does not believe that the foregoing arrangements have an effect on the overall terms and conditions negotiated with the arrangers of such senior loans.

The Collateral Obligations may include obligations issued by entities in which the Collateral Manager and its Affiliates or Other Accounts have made investments, obligations the Collateral Manager and its Affiliates have assisted in structuring but in which they have or have not chosen to invest and obligations in respect of which the Collateral Manager and its Affiliates or Other Accounts participated in the original lending group and/or acted or act as an agent. In addition, the Collateral Obligations may include obligations previously held by the Collateral Manager and its Affiliates or Other Accounts, and the Issuer may purchase Collateral Obligations from, or sell Collateral Obligations to, one or more of the Collateral Manager and its Affiliates or Other Accounts. In particular, the Issuer has committed to purchase from NIBC Bank N.V. and certain other sellers certain Collateral Obligations (including, but not limited to, Collateral Obligations purchased pursuant to the Forward Purchase Agreement) on or following the Issue Date. Although any such purchase or sale must comply with certain criteria set forth in the Collateral Management and Administration Agreement and the other Transaction Documents (including the requirement that any such purchase or sale be on an arm's length basis), the Collateral Manager may take into consideration the interests of the Other Accounts when making decisions regarding the purchase and sale of Collateral Obligations on behalf of the Issuer under the Collateral Management and Administration Agreement.

The Collateral Manager and its Affiliates or Other Accounts may from time to time purchase any of the Notes (and is required to purchase and retain the Retention Notes). The Collateral Manager and its Affiliates or Other Accounts (other than the Collateral Manager in relation to the Retention Notes) will not be required to retain all or any part of the Notes acquired by them. As a result, the Collateral Manager may face a conflict of interest in the performance of its duties as the Collateral Manager because of the conflicting interests of the holders of the Classes of Notes that are senior to the Classes of Notes to be held by the Collateral Manager and its Affiliates or Other Accounts. In particular, the Collateral Manager may have an incentive to manage the Issuer's investments in a manner as to seek to maximise the yield on the Collateral Obligations in a manner that seeks to maximise the yield on the Subordinated Notes but which may result in an increase of defaults or volatility that adversely affects the return on one or more Classes of Secured Notes.

At any given time, Notes held by the Collateral Manager and its Affiliates or Other Accounts will be disregarded and deemed not to be Outstanding with respect to a vote to in connection with the removal of the

Collateral Manager, the appointment of a successor Collateral Manager, the optional redemption of the Notes at the direction of the Subordinated Noteholders, or with respect to the assignment or delegation by the Collateral Manager of its obligations under the Collateral Management and Administration Agreement. However, at any given time, such Noteholder will be entitled to vote Notes held by them or over which they have discretionary voting authority with respect to all other matters. If the Collateral Manager and its Affiliates or Other Accounts hold or otherwise have discretionary voting authority over the requisite percentage of the Principal Amount Outstanding of the Notes, such Noteholder will control certain matters that may affect the performance of the Portfolio and the return on one or more Classes of Notes, including, without limitation, an optional redemption at the direction of the Subordinated Notes. The Collateral Manager is required to use commercially reasonable endeavours to obtain the best prices and execution for all orders placed with respect to the Collateral Obligations, considering all circumstances that are relevant in its reasonable determination. Subject to the objective of obtaining best prices and execution, the Collateral Manager may take into consideration research and other brokerage services furnished to it or its Affiliates by brokers and dealers that are not Affiliates of the Collateral Manager. Such services may be used by the Collateral Manager and its Affiliates and Other Accounts in connection with their other advisory activities or investment operations. The Collateral Manager, may aggregate sales and purchase orders of securities placed with respect to the Collateral Obligations with similar orders being made simultaneously for other accounts managed by the Collateral Manager or with accounts of the Affiliates of the Collateral Manager if in the Collateral Manager's reasonable judgment such aggregation shall result in an overall economic benefit to the Issuer, taking into consideration the advantageous selling or purchase price, brokerage commission and other expenses.

The Collateral Manager and/or any of its Affiliates may from time to time incur expenses jointly on behalf of the Issuer, other accounts managed by them and one or more subsequent entities established or advised by them. Although the Collateral Manager and/or its Affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will, in all cases, be allocated appropriately among such parties.

The Collateral Manager and its Affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, the Collateral Manager and its Affiliates may engage in activities where the interests of certain divisions of the Collateral Manager and its Affiliates or the interests of their clients may conflict with the interests of the Noteholders. Other present and future activities of the Collateral Manager and its Affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, the Collateral Manager will attempt to resolve such conflicts in a fair and equitable manner. The Collateral Manager will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Issuer. Investors should be aware that conflicts will not necessarily be resolved in favour of the Issuer's interests.

Specified policies and procedures implemented by the Collateral Manager and its Affiliates to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across the Collateral Manager and its Affiliates' various businesses that the Issuer expects to draw on for purposes of pursuing attractive investment opportunities. Because the Collateral Manager and its Affiliates have certain other asset management and advisory businesses, they are subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, the Collateral Manager and its Affiliates have implemented certain policies and procedures (e.g., information walls) that may reduce the positive synergies that the Issuer expects to utilise for purposes of finding attractive investments. For example, the Collateral Manager and its Affiliates may come into possession of material non-public information with respect to companies in which the Issuer may be considering making an investment or companies that are the Collateral Manager and its Affiliates' advisory clients. In certain situations, the Issuer's activities could be restricted even if such information, which could be of benefit to the Issuer, was not made available to the Collateral Manager. Additionally, the terms of confidentiality or other agreements with or related to companies in which any fund of the Collateral Manager and its Affiliates has or has considered making an investment or which is otherwise an advisory client of the Collateral Manager and its Affiliates 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, and the Collateral Manager and its Affiliates 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.

The Collateral Manager and its Affiliates may come into possession of material non-public information with respect to an issuer. Should this occur, the Collateral Manager would be restricted from buying or selling securities, derivatives or loans of the issuer on behalf of the Issuer until such time as the information became public or was no longer deemed material to preclude the Issuer from participating in an investment. Disclosure of such information to the Collateral Manager's personnel responsible for the affairs of the Issuer will be on a need-to-know basis only, and the Issuer may not be free to act upon any such information. Therefore, the Issuer may not have access to material non-public information in the possession of The Collateral Manager and its Affiliates which might be relevant to an investment decision to be made by the Issuer, and the Issuer may initiate a transaction or sell a Collateral Obligation which, if such information had been known to it, may not have been undertaken. Due to these restrictions, the Issuer may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an Investment that it otherwise might have sold.

The Issuer's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in Other Funds, Other Accounts and/or sources of investment opportunities and counterparties therein. This may influence the Collateral Manager or any of its Affiliates in deciding whether to select such a service provider or have other relationships with the Collateral Manager and its Affiliates. Notwithstanding the foregoing, investment transactions for the Issuer that require the use of a service provider will generally be allocated to service providers on the basis of best execution (and possibly to a lesser extent in consideration of such service provider's provision of certain investment-related and other services that the Collateral Manager or its Affiliates believes to be of benefit for the Issuer).

Further conflicts could arise once the Issuer and other Affiliates have made their respective investments. 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 the other Collateral Manager’s Affiliates 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.

The Collateral Manager's activities (including, without limitation, the holding of securities positions or having one of its employees on the board of directors of an obligor) could result in securities law restrictions on transactions in securities held by the Issuer, affect the prices of such securities or the ability of such entities to purchase, retain or dispose of such investments, or otherwise create conflicts of interest, any of which could have an adverse impact on the performance of the Issuer and thus the return to the investors.

The Collateral Manager and its Affiliates may expand the range of services that they provide over time. Except as provided herein, the Collateral Manager and its Affiliates 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. The Collateral Manager and its Affiliates have, 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.

The Collateral Manager and its members, partners, officers and employees will devote as much of their time to the activities of the Issuer as they deem necessary and appropriate, in accordance with the Collateral Management and Administration Agreement and reasonable commercial standards. The Collateral Manager and its Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Issuer and/or may involve substantial time and resources of the Collateral Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the Collateral Manager and its officers and employees will not be devoted exclusively to the business of the Issuer but will be allocated between the business of the Issuer and the management of the monies of other advisees of the Collateral Manager.

The Issuer may acquire a Collateral Obligation of an Obligor in which a separate obligation has been acquired by an Other Account or the Collateral Manager or its Affiliates. When making such investments, the client may have conflicting interests. To the extent that the Issuer holds interests that a different (or more senior) than those held by such other vehicles, accounts and clients, the Collateral Manager may be presented with decisions involving circumstances where the interests of such vehicles and accounts are in conflict with those of the Issuer. Furthermore, it is possible that the Issuer's interest may be subordinated or otherwise adversely affected by virtue of such other vehicle's, or account's involvement and actions relating to its investment. For example, conflicts could arise where the Issuer becomes a lender to a company where another client owns equity

securities of such a company. In this circumstance, for example, if such company goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities as to what actions the company should take.

The officers, directors, members, managers, and employees of the Collateral Manager may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or the policies of the Collateral Manager and its Affiliates, or otherwise determined from time to time by the Collateral Manager.

The Collateral Management and Administration Agreement places significant restrictions on the Collateral Manager's ability to invest in and dispose of Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to invest in or dispose of Collateral Obligations or to take other actions that it might consider to be in the best interests of the Issuer and the holders of the Notes.

In the event of the removal of the Collateral Manager, the removed Collateral Manager will continue to receive any Senior Management Fee, Subordinated Management Fee and expenses accrued through the date of actual termination of its duties, whenever funds become available pursuant to the Priorities of Payments to pay such amounts.

None of the Collateral Manager nor any of its Affiliates has any obligation to obtain for the Issuer any particular investment opportunity, and the Collateral Manager may be precluded from offering to the Issuer particular securities in certain situations including, without limitation, where the Collateral Manager or its Affiliates may have a prior contractual commitment with other accounts or clients

No provision in the Collateral Management and Administration Agreement prevents the Collateral Manager or its Affiliates from rendering services of any kind to any person or entity, including the issuer of any obligation included in the Collateral Obligations and their respective Affiliates, the Trustee, the holders of the Notes and the Hedge Counterparties. Without limiting the generality of the foregoing, the Collateral Manager and its Affiliates and the directors, officers, employees and agents of the Collateral Manager and its Affiliates may, among other things: (a) serve as directors, partners, officers, employees, agents, nominees or signatories for any issuer of any obligation included in the Collateral Obligations; (b) receive fees for services rendered to the issuer of any obligation included in the Collateral Obligations or any Affiliate thereof; (c) be retained to provide services unrelated to the Collateral Management and Administration Agreement to the Issuer and be paid therefor; (d) be a secured or unsecured creditor of, or hold an equity interest in, any issuer of any obligation included in the Collateral Obligations; (e) sell or terminate any Collateral Obligations or Eligible Investments to, or purchase or enter into any Collateral Obligations from, the Issuer while acting in the capacity of principal or agent; and (f) serve as a member of any "creditors' board" with respect to any obligation included in the Collateral Obligations which has become or may become a Defaulted Obligation. Services of this kind may lead to conflicts of interest with the Collateral Manager and the Issuer and may lead individual officers or employees of the Collateral Manager to act in a manner adverse to the Issuer.

The Collateral Manager and its Affiliates may also have ongoing relationships with, render services to or engage in transactions with, companies whose securities are pledged to secure the Notes and may own equity or debt securities issued by issuers of and other Obligors on Collateral Obligations. As a result, the Collateral Manager and its Affiliates may possess information relating to issuers of Collateral Obligations which is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management and Administration Agreement. In addition, the Collateral Manager and its Affiliates may invest in loans and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations that are pledged to secure the Notes. It is intended that all Collateral Obligations will be purchased and sold by the Issuer on terms prevailing in the market.

In addition, The Collateral Manager and its Affiliates may own equity or other securities of Obligors of Collateral Obligations and may have provided investment advice, investment management and other services to issuers of Collateral Obligations. From time to time, the Collateral Manager may, on behalf of the Issuer, purchase or sell Collateral Obligations through the Arrangers and Joint Lead Managers or their Affiliates. In connection with the foregoing activities, The Collateral Manager and its Affiliates may from time to time come into possession of material non-public information that limits the ability of the Collateral Manager to effect a transaction for the Issuer, and the Issuer's investments may be constrained as a consequence of the Collateral

Manager's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its clients, including the Issuer.

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

There is no limitation or restriction on the Collateral Manager or any of its 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.

Certain Conflicts of Interest Involving or Relating to The Royal Bank of Scotland plc and its Affiliates

Each of The Royal Bank of Scotland plc and its Affiliates (the "**RBS Parties**") will play various roles in relation to the offering, including acting as the Lead Arranger, a Joint Lead Manager and the Bookrunner of the transaction and in other roles described below.

The Royal Bank of Scotland plc 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 lower fee being paid to The Royal Bank of Scotland plc in respect of those Notes. The Royal Bank of Scotland plc 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 Royal Bank of Scotland plc expects to earn fees and other revenues from these transactions.

The RBS Parties may retain and may acquire from time to time a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market. The RBS 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 RBS Parties may have positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the obligors of Collateral Obligations) when they were originally issued and may have provided or may be providing investment banking services and other services to obligors of certain Collateral Obligations. In addition, the RBS Parties and their clients may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, Collateral Obligations. Each of the RBS 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 RBS Parties or in which one or more RBS Parties hold an equity, participation or other interest. The purchase, holding or sale of such Collateral Obligations by the Issuer may increase the profitability of the RBS Party's own investments in such obligors.

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

The RBS 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, RBS Parties and employees or customers of the RBS Parties may actively trade in and/or otherwise hold long or short positions in the Notes, Collateral Obligations and Eligible Investments or enter into transactions similar to or referencing the Notes, Collateral Obligations or Eligible Investments or the obligors thereof for their own accounts and for the accounts of their customers. If an RBS Party becomes an owner of any of the Notes, through market-making activity or otherwise, any actions that it takes in its capacity as owner, including voting, providing consents or

otherwise will not necessarily be aligned with the interests of other owners of the same Class or other Classes of the Notes. To the extent an RBS Party makes a market in the Notes (which it is under no obligation to do), it would expect to receive income from the spreads between its bid and offer prices for the Notes. In connection with any such activity, it will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions and activities based on the potential effect on an investor in the Notes. The price at which an RBS 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.

TERMS AND CONDITIONS

The following are the terms and conditions 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 Subordinated Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive certificated form, which will be incorporated by reference into the Global Certificates of each Class representing the Notes, subject to the provisions of such Global Certificates, some of which will modify the effect of these terms and conditions. See "Form of the Notes - Amendments to Terms and Conditions".

The issue of €161,000,000 Class A-1 Senior Secured Floating Rate Notes due 2026 (the "**Class A-1 Notes**"), €16,000,000 Class A-2 Senior Secured Fixed Rate Notes due 2026 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Class A Notes**"), €27,000,000 Class B-1 Senior Secured Floating Rate Notes due 2026 (the "**Class B-1 Notes**"), the €10,000,000 Class B-2 Senior Secured Fixed Rate Notes due 2026 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Class B Notes**"), €17,500,000 Class C Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class C Notes**"), €16,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class D Notes**"), €21,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2026 (the "**Class E Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Rated Notes**") and €37,500,000 Subordinated Notes due 2026 (the "**Subordinated Notes**" and, together with the Rated Notes, the "**Notes**") of North Westerly CLO IV 2013 B.V. (the "**Issuer**") was authorised by resolution of the board of Directors of the Issuer dated 17 December 2013. The Notes are constituted by a trust deed (together with any other security document entered into in respect of the Rated Notes the "**Trust Deed**") dated 19 December 2013 between (amongst others) the Issuer and U.S. Bank Trustees Limited in its capacity as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) for the Noteholders.

These terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed (which includes the forms of the certificates representing the Notes). The following agreements have been entered into in relation to the Notes: (a) an agency and account bank agreement dated 19 December 2013 (the "**Agency and Account Bank Agreement**") between, amongst others, the Issuer, U.S. Bank National Association as registrar (the "**Registrar**", which term shall include any successor or substitute registrars appointed pursuant to the terms of the Agency and Account Bank Agreement), U.S. Bank National Association as transfer agent (the "**Transfer Agent**" which term shall include any successor or substitute transfer agent), Elavon Financial Services Limited, as principal paying agent, account bank, calculation agent and custodian (respectively, "**Principal Paying Agent**", "**Account Bank**", "**Calculation Agent**" and "**Custodian**", which terms shall include any successor or substitute principal paying agent, account bank, calculation agent or custodian, respectively, appointed pursuant to the terms of the Agency and Account Bank Agreement) and the Trustee; (b) a Collateral Management and Administration Agreement dated 19 December 2013 (the "**Collateral Management and Administration Agreement**") between NIBC Bank N.V. as collateral manager in respect of the Portfolio (the "**Collateral Manager**", which term shall include any successor Collateral Manager appointed pursuant to the terms of the Collateral Management and Administration Agreement), the Issuer, Elavon Financial Services Limited as collateral administrator (the "**Collateral Administrator**" which term shall include any successor collateral administrator appointed pursuant to the terms of the Collateral Management and Administration Agreement) and Elavon Financial Services Limited as information agent (the "**Information Agent**" which term shall include any successor information agent) and (c) a management agreement dated 19 December 2013 between, amongst others, the Issuer and the Directors and a management agreement dated 19 December 2013 between, amongst others, the Foundation and the Corporate Services Provider (the "**Issuer Management Agreements**"). Copies of the Trust Deed, the Agency and Account Bank Agreement and the Collateral Management and Administration Agreement are available for inspection during usual business hours at the registered office of the Issuer (presently at Claude Debussylaan 18, 1082 MD Amsterdam, The Netherlands) and at the specified office of the Transfer Agent or the Principal Paying Agent for the time being. The holders of each Class of Notes are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of each other Transaction Document.

1. Definitions

"**6-month EURIBOR**" means the rate determined in accordance with Condition 6(e) (*Interest on the Rated Notes*) for Euro deposits in the Euro-zone Interbank Market for a period of six months (or, in the case of the initial Accrual Period, as determined pursuant to a straight line interpolation of the rates applicable to 6 and 9 month Euro deposits).

"**Accounts**" means the Principal Account, the Custody Account, the Interest Account, the Unused Proceeds Account, the Payment Account, the Expense Reserve Account, the Supplemental Reserve Account, the Counterparty Downgrade Collateral Accounts, the Currency Account, the Hedge Termination Account(s) and the Collection Account.

"**Acceleration Notice**" shall have the meaning ascribed to it in Condition 10(b) (*Acceleration*).

"**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 Payment Date upon which the Refinancing occurs) to, but excluding, the first Payment Date (or in the case of a Class that is subject to Refinancing, the first Payment Date following the Refinancing) and each successive period from and including each Payment Date to, but excluding, the following Payment Date.

"**Adjusted Collateral Principal Amount**" means, as of any date of determination:

(a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations, Deferring Securities and Excess Long Dated Collateral Obligations); *plus*

(b) unpaid accrued interest purchased with Principal Proceeds (other than with respect to Defaulted Obligations), *plus*

(c) without duplication, the amounts on deposit in the Principal Account and the Unused Proceeds Account (to the extent such amounts represent Principal Proceeds) (including Eligible Investments therein which represent Principal Proceeds); *plus*

(d) in relation to a Deferring Security or a Defaulted Obligation the lesser of (i) its S&P Collateral Value and (ii) its Fitch Collateral Value; *plus*

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

(f) the Excess CCC Adjustment Amount,

provided that:

(i) with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation, Deferring Security and/or that falls into the Excess CCC Adjustment Amount, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination;

(ii) in respect of paragraph (b) above, any non-Euro amounts will be converted into Euro (A) in the case of each Non-Euro Obligation which is subject to a Currency Hedge Agreement, at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction and (B) in the case of each Non-Euro Obligation which is not subject to a Currency Hedge Agreement, at the product of (x) the Spot Rate and (y) the applicable Non-Euro Haircut in respect of such Non-Euro Obligation *provided that*, if such Non-Euro Obligation is not subject to a Currency Hedge Transaction for a period of six consecutive months, the amount determined pursuant to paragraph (b) above in respect of such Non-Euro Obligation shall be deemed to be zero until such time as a Currency Hedge Transaction is entered into in respect of such Non-Euro Obligation; and

(iii) for the purposes of the calculation of paragraph (b) of the Senior Expenses Cap and calculating the Senior Collateral Management Fee and the Subordinated Collateral Management Fee only, the Adjusted Collateral Principal Amount shall be calculated assuming the Excess CCC Adjustment Amount is equal to zero in all cases.

"**Administrative Expenses**" means amounts due and payable by the Issuer in the following order of priority:

(a) on a *pro-rata* basis and *pari passu*, to (i) the Agents pursuant to the Agency and Account Bank Agreement, (ii) the Collateral Administrator and the Information Agent pursuant to the Collateral Management and Administration Agreement and (iii) the Corporate Services Provider pursuant to the Issuer Management Agreements, in each case, including by way of indemnity;

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

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

(ii) to the independent certified public accountants, auditors, agents, counsel and other professional service providers of the Issuer, (other than amounts payable to the Agents and to the Corporate Services Provider of the Issuer in respect of fees (if any) pursuant to paragraph (a) above);

(iii) to the Collateral Manager pursuant to the Collateral Management and Administration Agreement (including, but not limited to, the indemnities provided for therein and all ordinary expenses, costs, fees, out-of-pocket expenses, brokerage fees incurred by the Collateral Manager), but excluding any Collateral Management Fees or any value added tax payable thereon;

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

(v) to the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time;

(vi) on a *pro rata* basis to any other Person in respect of any other fees or expenses contemplated in the Conditions and in the Transaction Documents or any other documents delivered pursuant to or in connection with the issue and sale of the Notes, including, without limitation, an amount up to €10,000 per annum in respect of fees and expenses incurred by the Issuer (in its sole and absolute discretion) in assisting in the preparation, provision or validation of data for purposes of Noteholder tax jurisdictions;

(vii) to the Arrangers and the Joint Lead Managers pursuant to the Subscription Agreement in respect of any indemnity payable to it thereunder;

(viii) to the payment on a *pro rata* basis of any fees, expenses or indemnity payments in relation to the restructuring of a Collateral Obligation, including but not limited to a steering or creditor committee or its legal counsel and other professional advisors relating thereto;

(ix) to the payment of any amounts necessary to enforce the orderly dissolution of the Issuer;

(x) to the payment of any costs and expenses incurred by the Issuer in order to comply with any requirements under EMIR which are applicable to it; and

(c) except to the extent already provided for above, on a *pro rata* basis payment of any indemnities payable to any Person as contemplated in these Conditions or the Transaction Documents,

provided that the Collateral Manager may direct (regardless of the prioritisation set out in paragraph (b) above) the payment of (A) any Rating Agency fees set out in (b)(i) above if the Collateral Manager or Issuer has been advised by a Rating Agency that non-payment of its fees will immediately result in the withdrawal of any ratings on any Class of Rated Notes and (B) statutory audit fees set out in (b)(ii) above if the non-payment of such fees would result in the non-delivery of the statutory audit opinion causing the Notes to be de-listed from

the Irish Stock Exchange, or such other stock exchange or exchanges upon which any of the Notes are listed from time to time.

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

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

(b) any account, fund, client or portfolio established and controlled by such Person or an Affiliate thereof or for which such Person or an Affiliate thereof acts as the investment adviser or with respect to which such Person or an Affiliate thereof exercises discretionary control thereover; and

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

  (i) of such Person;

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

  (iii) of any Person described in paragraphs (a) or (b) above.

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

Notwithstanding the foregoing, in relation to The Royal Bank of Scotland plc, the term "Affiliate" shall not include (a) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Services Investments Limited (or any directors, officers, employees or entities thereof) or (b) any persons or entities controlled by or under common control with the UK government or instrumentality thereof (including Her Majesty's Treasury and UK Financial Services Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

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

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

"**AIFMD**" means the European Union Directive 2011/61/EU on Alternative Investment Fund Managers.

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

"**Arrangers** " means The Royal Bank of Scotland plc and NIBC Bank N.V.

"**Authorised Denomination**" means, in respect of any Note, the Minimum Denomination thereof and any denomination equal to a multiple of the Authorised Integral Amount in excess of the Minimum Denomination thereof.

"**Authorised Integral Amount**" means for each Class of Notes, €1,000.

"**Authorised Officer**" means with respect to the Issuer, any Director of the Issuer or other person as notified by or on behalf of the Issuer to the Trustee who is authorised to act for the Issuer in matters relating to, and binding upon, the Issuer.

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

(a) current balance of cash, demand deposits, time deposits, certificates of deposits, government guaranteed funds and other investment funds;

(b) outstanding principal amount of interest bearing corporate and government obligations and money market accounts and repurchase obligations; and

(c) purchase price, up to an amount not exceeding the face amount, of non interest bearing government and corporate obligations, commercial paper and certificates of deposit,

provided that (i) to the extent that the Hedging Condition has been satisfied and a Currency Hedge Agreement is in place, amounts standing to the credit of the Currency Account shall be converted into Euro at the relevant Currency Hedge Transaction Exchange Rate, (ii) to the extent that no Currency Hedge Agreement is in place, any balance which is denominated in a currency other than Euro shall be converted into Euro at the Spot Rate and (iii) in the event that a default as to payment of principal and/or interest has occurred and is continuing (disregarding any grace periods provided for pursuant to the terms thereof) in respect of any Eligible Investment or any material obligation of the obligor thereunder which is senior or equal in right of payment to such Eligible Investment such Eligible Investment shall have a value equal to the lesser of its S&P Collateral Value and its Fitch Collateral Value (determined as if such Eligible Investment were a Collateral Obligation).

"**Benefit Plan Investor**" means:

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

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

(c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan 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.

"**Bookrunner**" means The Royal Bank of Scotland plc.

"**Bridge Loan**" shall mean any Collateral Obligation that: (i) is incurred in connection with a merger, acquisition, consolidation, sale of all or substantially all of the assets of a person, restructuring or similar transaction; (ii) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings; and (iii) prior to its purchase by the Issuer, has a S&P Rating and a Fitch Rating.

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

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

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

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

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

(a) the excess of the Aggregate Principal Balance of all S&P CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount; and

(b) the excess of the Aggregate Principal Balance of all Fitch CCC Obligations over an amount equal to 7.5 per cent. of the Collateral Principal Amount,

in each case as determined as at such date of determination, *provided that*:

(i) in determining the Collateral Principal Amount for the purposes of paragraph (a) above, each Defaulted Obligation shall be deemed to have a Principal Balance equal to its S&P Collateral Value;

(ii) in determining the Collateral Principal Amount for the purposes of paragraph (b) above, each Defaulted Obligation shall be deemed to have a Principal Balance equal to its Fitch Collateral Value; and

(ii) in determining which of the S&P CCC Obligations or Fitch CCC Obligations (or the portion of the Principal Balance thereof), as applicable, shall be included under part (a) or (b) above, the S&P CCC Obligations or Fitch CCC Obligations, as applicable, with the lowest Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) shall be deemed to constitute the CCC Excess.

"**CCC Excess Obligations**" means, in respect of any date of determination:

(a) if the amount determined pursuant to paragraph (a) of the definition of CCC Excess is equal to or greater than the amount determined pursuant to paragraph (b) of the definition of CCC Excess, the S&P CCC Obligations (or portion of the Principal Balance thereof) forming part of the CCC Excess; and

(b) if the amount determined pursuant to paragraph (a) of the definition of CCC Excess is less than the amount determined pursuant to paragraph (b) of the definition of CCC Excess, the Fitch CCC Obligations (or portion of the Principal Balance thereof) forming part of the CCC Excess,

as at such date of determination.

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

(a) the Class A-1 Notes

(b) the Class A-2 Notes;

(c) the Class B-1 Notes

(d) the Class B-2 Notes;

(e) the Class C Notes;

(f) the Class D Notes;

(g) the Class E Notes; and

(h) the Subordinated Notes,

and "**Class of Noteholders**" and "**Class**" shall be construed accordingly.

"**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 scheduled interest payments due on the Class A Notes and the Class B Notes on the following Payment 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 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 Collateral Principal Amount 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 131.78 per cent.

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

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

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

"**Class C Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes and the Class C Notes on the following Payment 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 115 per cent.

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

"**Class C Par Value Test**" means the test which will apply as of any Measurement Date on or 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 123.11 per cent.

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

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

"**Class D Interest Coverage Ratio**" means, as of any Measurement Date occurring on and after the Determination Date immediately preceding the second Payment Date, the ratio (expressed as a percentage) obtained by dividing the Interest Coverage Amount by the scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes on the following Payment 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 110 per cent.

"**Class D Par Value Ratio**" means, as of any Measurement Date on and after the Effective Date, the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of each of the Class A 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 or 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 116.36 per cent.

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

"**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 scheduled interest payments due on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes on the following Payment 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 105 per cent.

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

"**Class E Par Value Test**" means the test which will apply as of any Measurement Date on or after the Effective Date and which will be satisfied on such Measurement Date if the Class E Par Value Ratio is at least equal to 107.82 per cent.

"**Clearing System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

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

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

"**Collateral Acquisition Agreements**" means each of the agreements entered into by the Issuer in relation to the purchase by the Issuer of Collateral Obligations from time to time, including the Forward Purchase Agreement.

"**Collateral Enhancement Obligation**" means any warrant or equity security, excluding Exchanged Equity Securities, but including without limitation, warrants relating to Mezzanine Obligations and any equity security received upon conversion or exchange of, or exercise of an option under, or otherwise in respect of a Collateral Obligation; or any warrant or equity security purchased as part of a unit with a Collateral Obligation (but in all cases, excluding, for the avoidance of doubt, the Collateral Obligation), in each case, the acquisition of which will not result in the imposition of any present or future, actual or contingent liabilities or obligations on the Issuer other than those which may arise at its option; provided that no Collateral Enhancement Obligation may be, or be exchangeable into, a Dutch Ineligible Security.

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

"**Collateral Management Fee**" means each of the Senior Management Fee, the Subordinated Management Fee and the Incentive Collateral Management Fee.

"**Collateral Obligation**" means any debt obligation or debt security purchased (including by way of a Participation) by or on behalf of the Issuer from time to time (or, if the context so requires, to be purchased by or on behalf of the Issuer) and which satisfies the Eligibility Criteria at the time that any commitment to purchase is entered into by or on behalf of the Issuer or the Participation Agreement is entered into in respect of a Participation (or, in the case of Collateral Obligations acquired pursuant to the Forward Purchase Agreement, on both the date as at which the Forward Purchase Agreement takes effect and the Issue Date). References to Collateral Obligations shall include Non-Euro Obligations but shall not include Collateral Enhancement Obligations, Eligible Investments or Exchanged Equity Securities. Obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase but which have not yet settled shall be included as Collateral Obligations in the calculation of the Portfolio Profile Tests,

Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio at any time as if such purchase had been completed. Each Collateral Obligation in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations solely for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio at any time as if such sale had been completed. The failure of any obligation to satisfy the Eligibility Criteria at any time after the Issuer or the Collateral Manager on behalf of the Issuer has entered into a binding agreement to purchase it shall not cause such obligation to cease to constitute a Collateral Obligation. A Restructured Obligation shall only constitute a Collateral Obligation for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests and Reinvestment Overcollateralisation Test if it satisfies the Restructured Obligation Criteria on the appropriate Restructuring Date.

"**Collateral Obligation Stated Maturity**" means, with respect to any Collateral Obligation or Eligible Investment, the date specified in such obligation as the fixed date on which the final payment or repayment of principal of such obligation is due and payable.

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

(a) the Aggregate Principal Balance of all Collateral Obligations, provided however that the Principal Balance of Defaulted Obligations shall be excluded in calculating the Collateral Principal Amount for the purposes only of:

(i) the Portfolio Profile Tests, the Collateral Quality Tests (other than the determination of whether the Collateral Principal Amount exceeds the Maximum Par Amount) and in other determinations and calculations where Defaulted Obligations are expressly required to be excluded; and

(ii) determining whether an Event of Default has occurred in accordance with Condition 10(a)(iv) (*Collateral Obligations*); and

(b) the Balances standing to the credit of the Principal Account and the Unused Proceeds Account to the extent such amounts represent Principal Proceeds, and including the principal amount of any Eligible Investments purchased with such Balance but excluding, for the avoidance of doubt, any interest accrued on Eligible Investments.

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

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

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

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

(iii) the S&P Minimum Weighted Average Floating Spread Test; and

(iv) the S&P Minimum Weighted Average Coupon Test;

(b) 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;

(iii) the Fitch Minimum Weighted Average Spread Test; and

(iv) the Fitch Minimum Weighted Average Fixed Coupon Test;

(c) so long as any Rated Notes are Outstanding, the Weighted Average Life Test,

each as defined in the Collateral Management and Administration Agreement.

"**Collateral Tax Event**" means at any time, as a result of the introduction of a new, or any change in, any home jurisdiction or foreign tax statute, treaty, regulation, rule, ruling, practice, procedure or judicial decision or interpretation (whether proposed, temporary or final), interest payments due from the Obligors of any Collateral Obligations in relation to any Due Period to the Issuer becoming subject to the imposition of home jurisdiction or foreign withholding tax (other than where such withholding tax (i) is compensated for by a "gross up" provision in the terms of the Collateral Obligation so that the Issuer receives the same amount on an after tax basis that it would have received had no withholding tax been imposed or (ii) arises on account of FATCA) so that the aggregate amount of such withholding tax on all Collateral Obligations in relation to such Due Period is equal to or in excess of 6 per cent. of the aggregate interest payments due (for the avoidance of doubt, excluding any additional interest arising as a result of the operation of any gross up provision) on all Collateral Obligations in relation to such Due Period.

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

"**Controlling Class**" means the Class A Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes or, following redemption and payment in full of the Class A Notes, and the Class B Notes, the Class C Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes, the Class D Notes 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 Class E Notes or, following redemption in full of all of the Rated Notes, the Subordinated Notes.

"**Controlling Person**" means any person (other than a Benefit Plan Investor) that has discretionary authority or control over the assets of the Issuer or who provides investment advice for a fee with respect to such assets, and any "affiliate" of any such person. An "affiliate" for purposes of this definition means a person controlling, controlled by or under common control with such person, and control means the power to exercise a controlling influence over the management or policies of such person (other than an individual).

"**Corporate Services Provider**" means Structured Finance Management (Netherlands) B.V. including any successor or replacement corporate services provider appointed in accordance with the Issuer Management Agreements.

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

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

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

"**Cov-Lite Loan**" means a Collateral Obligation, as determined by the Collateral Manager in its reasonable commercial judgment, that is an interest in a loan, the Underlying Instruments for which do not contain any Maintenance Covenants (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments).

"**CRD Retention Requirements**" means Article 122a of the European Union Directive 2006/48/EC (as amended by Directive 2009/111/EC and as otherwise amended from time to time and as implemented by the Member States of the European Union), together with any guidance published in relation thereto by the EBA including any regulatory and/or implementing technical standards being prepared by the EBA to replace the

current guidance published by the EBA on 29 September 2011 (the "**Regulatory Technical Standards**"), provided that any reference to the CRD Retention Requirements shall be deemed to include the CRR and any other successor or replacement provisions of Article 122a included in any European Union directive or regulation subsequent to the European Union Directives 2006/48/EC or 2006/49/EC.

"**Credit Improved Obligation**" means any Collateral Obligation which, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has significantly improved in credit quality after it was acquired by the Issuer, which improvement may (but need not be) evidenced by one of the following: (i) such Collateral Obligation satisfies the Credit Improved Obligation Criteria, or (ii) the Obligor has, in the Collateral Manager's reasonable commercial judgment, shown improved results or possesses less credit risk, in each case since such Collateral Obligation was acquired by the Issuer; *provided* that during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Improved Obligation only if: (i) the Credit Improved Obligation Criteria are satisfied with respect to such Collateral Obligation; or (ii) the Controlling Class acting by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Improved Obligation.

"**Credit Improved Obligation Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a Senior Loan Obligation or a Senior Floating Rate Note, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such decrease) less than or equal to 2.00 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

(b) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports) of the Obligor of such Collateral Obligation is expected to be more than 1.15 times the current year's projected cash flow interest coverage ratio;

(c) the Obligor of such Collateral Obligation has shown improved financial results since the published financial reports first produced after it was purchased by the Issuer;

(d) the Obligor of such Collateral Obligation since the date on which such Collateral Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such Obligor;

(e) such Collateral Obligation has been upgraded or put on a watch list for possible upgrade by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(f) if such Collateral Obligation is a Senior Loan Obligation or a Senior Note, the proceeds which would be received with respect to its disposition (excluding such proceeds that constitute Interest Proceeds) would be at least 100.50 per cent. of its purchase price; or

(g) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been a decrease in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer.

"**Credit Restructuring Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance which would be (were it not for this definition) a Maturity Amendment and which is imposed by:

(a) a decision of a court or court-administered body of competent jurisdiction pursuant to a scheme of arrangement or other equivalent court-administered restructuring, court order or otherwise; or

(b) a binding resolution of the majority of lenders or noteholders or the controlling class (as applicable) pursuant to the relevant Underlying Instrument in relation to, or as part of, a Restructuring.

"**Credit Risk Obligation**" means any Collateral Obligation that, in the Collateral Manager's reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events), has a significant risk of declining in credit quality or price or where the relevant Underlying Obligor has failed to meet its other financial obligations or undertakings; provided that at any time during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if (i) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (ii) the Controlling Class by Ordinary Resolution votes to treat such Collateral Obligation as a Credit Risk Obligation.

"**Credit Risk Criteria**" means the criteria that will be met in respect of a Collateral Obligation if any of the following apply to such Collateral Obligation, as determined by the Collateral Manager in its reasonable discretion (which judgment will not be called into question as a result of subsequent events):

(a) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been an increase in the difference between its yield compared to the yield on German government Bund securities of comparable maturity of more than 7.5 per cent. since the date on which such Collateral Obligation was acquired by the Issuer;

(b) such Collateral Obligation has been downgraded or put on a watch list for possible downgrade or on negative outlook by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;

(c) if such Collateral Obligation is a Senior Loan Obligation or a Senior Floating Rate Note, the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the applicable Underlying Instrument since the date the Issuer or the Collateral Manager acting on behalf of the Issuer entered into a binding commitment to purchase such obligation by (1) 0.25 per cent. or more (in the case of a loan obligation or floating rate note with a spread (prior to such increase) less than or equal to 2.00 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, in each case, to a deterioration in the Obligor's financial ratios or financial results;

(d) if such Collateral Obligation is a Senior Loan Obligation or a Senior Floating Rate Note, the proceeds which would be received with respect to the disposition (excluding such proceeds that constitute Interest Proceeds) of such Collateral Obligation would be less than 99.50 per cent. of its purchase price; or

(e) if the projected cash flow interest coverage ratio for the following year (earnings before interest and taxes divided by cash interest expense as disclosed by the Obligor or arranging bank for the relevant credit facility, or calculated by a third party in published research reports) of the Obligor of such Collateral Obligation is less than 1.00 or is expected to be less than 0.85 times the current year's projected cash flow interest coverage ratio.

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

"**Currency Account**" means the accounts in the name of the Issuer held with the Account Bank which shall comprise separate accounts denominated in the relevant currencies of Non-Euro Obligations, into which amounts received in respect of Non-Euro Obligations shall be paid and out of which amounts payable to a Currency Hedge Counterparty pursuant to any Currency Hedge Transaction shall be paid.

"**Currency Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and a Currency Hedge Counterparty in order to hedge exchange rate risk arising in connection with any Non-Euro Obligation,

including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of a Currency Hedge Transaction, as amended or supplemented from time to time, and including any Replacement Currency Hedge Agreement entered into in replacement thereof.

"**Currency Hedge Counterparty**" means any financial institution with which the Issuer has entered into a Currency Hedge Agreement or any permitted successor or assignee thereof pursuant to the terms of such Currency Hedge Agreement and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Currency Hedge Issuer Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of the applicable Currency Hedge Agreement or Currency Hedge Transaction or in connection with a modification of the applicable Currency Hedge Agreement or Currency Hedge Transaction.

"**Currency Hedge Transaction**" means, in respect of each Non-Euro Obligation, a cross-currency transaction entered into in respect thereof under a Currency Hedge Agreement.

"**Currency Hedge Transaction Exchange Rate**" means the rate of exchange set out in the relevant Currency Hedge Transaction.

"**Current Pay Obligation**" means any Collateral Obligation that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Collateral Manager believes, in its reasonable business judgment, that:

(a) the Obligor of such Collateral Obligation will continue to make scheduled payments of interest thereon in cash and will pay the principal thereof in cash by maturity or as otherwise contractually due;

(b) if the Obligor is subject to a bankruptcy or insolvency proceedings, a bankruptcy court has authorised the payment of interest and principal payments when due thereunder; and

(c) the Collateral Obligation has a Market Value of at least 80 per cent. of its current Principal Balance.

"**Custody Account**" means the custody account or accounts held and administered outside The Netherlands established on the books of the Custodian in accordance with the provisions of the Agency and Account Bank Agreement, which term shall include each cash account relating to each such Custody Account (if any).

"**Defaulted Currency Hedge Termination Payment**" means any amount payable by the Issuer to a Currency Hedge Counterparty upon termination of any Currency Hedge Transaction in respect of which the Currency Hedge Counterparty is a Defaulting Hedge Counterparty, including any due and unpaid scheduled amounts thereunder.

"**Defaulted Deferring Mezzanine Obligation**" means a Mezzanine Obligation which is a Defaulted Obligation which would also be a Deferring Security (ignoring the exclusion of Defaulted Obligations in the definition of Deferring Security).

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

"**Defaulted Mezzanine Excess Amounts**" means the lesser of:

(a) the greater of (i) zero and (ii) the aggregate of all recoveries (including by way of sale proceeds) in respect of each Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation, minus the sum of the principal amount of such Mezzanine Obligation outstanding immediately prior to receipt of such amounts plus any Purchased Accrued Interest relating thereto; and

(b) all deferred interest paid in respect of each such Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation minus any Purchased Accrued Interest relating thereto.

"**Defaulted Obligation**" means a Collateral Obligation as determined by the Collateral Manager using reasonable commercial judgment (which judgment will not be called into question as a result of subsequent events):

(a) in respect of which there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any waiver or forebearance thereof, provided that in the case of any Collateral Obligation in respect of which the Collateral Manager has confirmed to the Trustee in writing that, to the knowledge of the Collateral Manager, such default has resulted from non credit-related causes, such Collateral Obligation shall not constitute a "Defaulted Obligation" until the earlier of (i) the end of any applicable grace period pursuant to the applicable Underlying Instrument and (ii) 10 Business Days following such default, in each case which default entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, but only until such default has been cured;

(b) in respect of which any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the Obligor of such Collateral Obligation, whether initiated under the Obligor's local law or otherwise, and, to the knowledge of the Collateral Manager, such proceedings have not been stayed or dismissed;

(c) in respect of which the Collateral Manager knows the Obligor thereunder is in default as to payment of principal and/or interest on another of its obligations (and such default has not been cured), but only if both such other obligation and the Collateral Obligation are either (A) both full recourse and unsecured obligations or (B) the other obligation ranks at least *pari passu* with the Collateral Obligation in right of payment without regard to any waiver or forbearance thereof, after (other than in the case of a default that in the Collateral Manager's reasonable judgment, as certified to the Trustee in writing, is not due to credit-related causes) the earlier of (i) the end of any applicable grace period pursuant to the applicable Underlying Instrument and (ii) 10 Business Days following such default and the holders of such obligation have accelerated the maturity of all or a portion of such obligation; provided that the Collateral Obligation shall constitute a Defaulted Obligation under this clause (c) only until, to the knowledge of the Collateral Manager, such acceleration has been rescinded;

(d) which (i) has an S&P Rating of "CC" or below; (ii) had an S&P Rating of "CC" or lower or "SD" immediately before such rating was withdrawn; (iii) has a Fitch Rating of "RD" or "D"; or (iv) had a Fitch Rating of "RD" or "D" immediately before such rating was withdrawn;

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

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

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

  (iii) the Selling Institution has (x) an S&P Rating of "CC" or below or "SD" or in either case had such rating prior to the withdrawal of its S&P Rating or (y) a Fitch Rating of "RD" or "D" or, in either case, had such rating prior to the withdrawal of its Fitch Rating; and

(f) which is a Deferring Security that has been deferring the payment of the current cash interest due thereon for a period of twelve or more consecutive months,

provided that (A) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (f) above if such Collateral Obligation (or, in the case of a Participation, the underlying Collateral Obligation) is a Current Pay Obligation (provided that the aggregate Principal Balance of Current Pay Obligations exceeding 5.0 per cent. of the Collateral Principal Amount (for which purposes the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value) will be treated as Defaulted Obligations and, provided further, that in determining which of the Current Pay Obligations are to be treated as Defaulted Obligations under this proviso, the Current Pay Obligations with the lowest Market Value expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination shall be deemed to constitute the excess), and (B) any Collateral Obligation shall cease to be a Defaulted Obligation on the date such obligation no longer satisfies this definition of "Defaulted Obligation".

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

(i) zero; and

(ii) the aggregate of all recoveries (including by way of sale proceeds) in respect of such Defaulted Obligation for so long as it is a Defaulted Obligation, *minus* the sum of the Principal Balance of such Defaulted Obligation immediately outstanding prior to receipt of such amounts plus any outstanding Purchased Accrued Interest related thereto.

"**Defaulting Hedge Counterparty**" means a Hedge Counterparty which is either:

(a) the "Defaulting Party" in respect of an "Event of Default" (each as such terms are defined in the applicable Hedge Agreement); or

(b) the sole "Affected Party" in respect of either:

    (i) a "Tax Event Upon Merger"; or

    (ii) an "Additional Termination Event" as a result of such Hedge Counterparty failing to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement,

each such term as defined in the applicable Hedge Agreement.

"**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**" means a Collateral Obligation (other than a Defaulted Obligation) that is deferring the payment of the current cash interest due thereon and has been so deferring the payment of such interest due thereon for the shorter of two consecutive accrual periods or one year, 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.

"**Determination Date**" means the last Business Day of each Due Period, or in the event of any redemption of the Notes or following the occurrence of an Event of Default, the applicable Redemption Date.

"**DIP Loan**" means any interest in a loan or financing facility that is acquired directly by way of assignment which is paying interest on a current basis and either:

(a) is an obligation of a debtor in possession as described in § 1107 of the United States Bankruptcy Code or a trustee (if appointment of such trustee has been ordered pursuant to § 1104 of the United States Bankruptcy Code) (a "**Debtor**") organised under the laws of the United States or any State therein, the terms of which have been approved by an order of the United States Bankruptcy Court, the United States District Court, or any other court of competent jurisdiction, the enforceability of which order is not subject to any pending contested matter or proceeding (as such terms are defined in the Federal Rules of Bankruptcy Procedure) and which order provides that (x) such DIP 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 DIP 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 DIP Loan is secured by junior liens on the Debtor's unencumbered assets and such DIP Loan is fully secured based upon a current valuation or appraisal report; or (aa) if the DIP

Loan or any portion thereof is unsecured, the repayment of such DIP Loan retains priority over all other administrative expenses pursuant to § 364(c)(1) of the United States Bankruptcy Code; or

(b) is a credit facility or other advance made available to a company or group in a restructuring or insolvency process which (i) constitutes the most senior secured obligations of the entity which is the borrower thereof and either (ii) ranks *pari passu* in all respects with the other senior unsecured debt of the borrower, provided that such facility is entitled to recover proceeds of enforcement of security shared with the other senior secured indebtedness (e.g. bond) of the borrower and its subsidiaries in priority to all such other senior secured indebtedness, or (iii) achieves priority over other senior secured obligations of the borrower otherwise than through the grant of security, such as pursuant to the operation of applicable insolvency legislation (including as an expense of the restructuring or insolvency process) or other applicable law.

"**Directors**" means Dirk Hendrik Bink, Jan Hendrik Oonk and Geert Kruizinga or such person(s) who may be appointed as Director(s) of the Issuer from time to time.

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

(a) in the case of a Collateral Obligation that is an interest (including a Participation) in a Secured Senior Loan, is acquired by the Issuer for a purchase price that is lower than 80 per cent. of the Principal Balance of such Collateral Obligation; *provided* that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 90 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90 per cent. of the Principal Balance of such Collateral Obligation;

(b) in the case of any Collateral Obligation that is an interest in a Secured Senior Floating Rate Note or an Unsecured Senior Floating Rate Note, is acquired by the Issuer for a purchase price of lower than 75 per cent. of the Principal Balance of such Collateral Obligation; *provided* that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 90 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral Obligation; or

(c) in the case of any Collateral Obligation that is an interest in a Fixed Rate Collateral Obligation (which may be either a Secured Senior Fixed Rate Note or an Unsecured Senior Fixed Rate Note), is acquired by the Issuer for a purchase price of lower than 70 per cent. of the Principal Balance of such Collateral Obligation; *provided* that such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the Principal Balance of such Collateral Obligations as of the relevant date of determination) of such Collateral Obligation, as determined for any period of 90 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 85 per cent. of the Principal Balance of such Collateral 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 Obligation, any Collateral Enhancement Obligation, any Eligible Investment or any Exchanged Equity Security, as applicable.

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

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

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

"**Due Period**" means, with respect to any Payment Date, the period commencing on and including the day immediately following the eighth Business Day prior to the preceding Payment Date (or on the Issue Date, in the case of the Due Period relating to the first Payment Date) and ending on and including the eighth Business Day prior to such Payment Date (or, in the case of the Due Period applicable to the Payment Date which is the Redemption Date of any Note, ending on and including the Business Day preceding such Payment Date).

"**Dutch Ineligible Securities**" means:

(a) all securities or interests in securities which are bearer instruments (*effecten aan toonder*) physically located in The Netherlands or registered shares (*aandelen op naam*) in a Netherlands corporate entity where the Issuer owns such bearer instruments or registered shares directly and in its own name;

(b) all securities or interests in securities, the purchase or acquisition of which by or on behalf of the Issuer would cause the breach of applicable selling or transfer restrictions or of applicable Dutch laws relating to the offering of securities or of collective investment schemes;

(c) shares representing 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity;

(d) obligations or instruments which are convertible into or exchangeable for shares, rights to acquire shares or derivatives referring to shares, where the shares underlying such obligations, instruments, rights or derivatives, alone or together with any shares held at any time by the Issuer, represent 5 per cent. or more of the nominal paid up share capital of or the voting rights in a corporate entity; or

(e) obligations or instruments which are convertible into or exchangeable for any security falling under paragraph (a) above.

"**EBA**" means the European Banking Authority (formerly known as the Committee of European Banking Supervisors), or any predecessor, successor or replacement agency or authority.

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

(a) the date designated for such purpose by the Collateral Manager by written notice to the Trustee, the Issuer, the Rating Agencies and the Collateral Administrator, subject to the Effective Date Determination Requirements having been satisfied or Rating Agency Confirmation of the Initial Ratings of the Rated Notes having otherwise been obtained; and

(b) 30 April 2014.

"**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 Obligations (excluding Substitute Collateral Obligations) the Aggregate Principal Balance of which equals or exceeds the Target Par Amount by such date (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments of any Collateral Obligations subsequent to the Issue Date shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its (i) S&P Collateral Value and (ii) Fitch Collateral Value).

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

(a) the Effective Date Determination Requirements not having been satisfied as at the Effective Date and Rating Agency Confirmation of the Initial Ratings of the Rated Notes not being received from the Rating Agencies in respect of such failure; and

(b) either the failure by the Collateral Manager (acting on behalf of the Issuer) to present a Rating Confirmation Plan to the Rating Agencies or Rating Agency Confirmation has not been obtained for the Rating Confirmation Plan,

provided that (i) 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, (ii) an Effective Date Rating Event shall have occurred if Rating Agency Confirmation of the Initial Ratings of the Rated Notes from S&P has not been received in respect of the Effective Date, notwithstanding paragraphs (a) and/or (b) above applying and (iii) an Effective Date Rating Event shall no longer be subsisting if Rating Agency Confirmation of the Initial Ratings of the Rated Notes has been obtained.

"**Effective Date Report**" means the report to be issued by the Collateral Administrator within 10 Business Days following the Effective Date, pursuant to the terms of, and as more fully described in, the Collateral Management and Administration Agreement.

"**Eligibility Criteria**" means the Eligibility Criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Collateral Obligation acquired by the Collateral Manager (on behalf of the Issuer) at the time of entering into a binding commitment to acquire such obligation.

"**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:

(a) direct obligations of, and obligations the timely payment of principal of and interest under which is fully and expressly guaranteed by, a Qualifying Country or any agency or instrumentality of a Qualifying Country, provided that such Eligible Investment is rated not less than the applicable Eligible Investment Minimum Rating at the time of such investment or contractual commitment;

(b) demand and time deposits in, certificates of deposit of and bankers' acceptances issued by any depository institution (including the Account Bank) or trust company incorporated under the laws of a Qualifying Country with, in each case, a maturity of no more than 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) shall have a rating of not less than the applicable Eligible Investment Minimum Rating;

(c) subject to receipt of Rating Agency Confirmation from each of S&P and Fitch related thereto, unleveraged repurchase obligations with respect to:

    (i) any obligation described in paragraph (a) above; or

    (ii) any other security issued or guaranteed by an agency or instrumentality of a Qualifying Country, in either case entered into with a depository institution or trust company (acting as principal) described in paragraph (b) above or entered into with a corporation (acting as principal) whose debt obligations are rated not less than the applicable Eligible Investment Minimum Rating;

(d) securities bearing interest or sold at a discount to the face amount thereof issued by any corporation incorporated under the laws of a Qualifying Country that have a credit rating of not less than the Eligible Investment Minimum Rating;

(e) commercial paper or other short-term obligations having a credit rating of not less than the applicable Eligible Investment Minimum Rating and that either are bearing interest or are sold at a discount to the face amount thereof and have a maturity of not more than 183 days from their date of issuance;

(f) offshore funds investing in the money markets rated, at all times, "AAAm" or "AAAm-G" by S&P and "AAAmmf" by Fitch 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 The Netherlands; and

(g) any other investment similar to those described in paragraphs (a) to (f) (inclusive) above:

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

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

and, in each case, such instrument or investment provides for payment of a predetermined fixed amount of principal on maturity that is not subject to change, either (A) has a Collateral 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 Structured Finance Security, interest only security, security subject to withholding or similar taxes, security rated with an "r", "t" or "(sf)" subscript by S&P, 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) or any Dutch Ineligible Securities and provided further that in respect of an Eligible Investment which is guaranteed, such guarantee must meet the criteria set out in "*Guarantee Criteria--Structured Finance*" published by S&P on 7 May 2013.

"**Eligible Investment Minimum Rating**" means:

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

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

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

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

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

provided in each case that such Eligible Investments are not on "negative creditwatch" or "negative outlook" or the applicable rating assigned by S&P is qualified in another way (excluding a positive qualifier and provided that a regulatory indicator shall be deemed not to constitute such a qualification);

(b) for so long any Notes rated by Fitch are Outstanding:

(i) in the case of Eligible Investments with a maturity of more than 30 days:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "AA-" from Fitch; and/or

(B) a short-term senior unsecured debt or issuer credit rating of "F1+" from Fitch; or

(C) such other ratings as confirmed by Fitch;

(ii) in the case of Eligible Investments with a maturity of 30 days or less:

(A) a long-term senior unsecured debt or issuer (as applicable) credit rating of at least "A" from Fitch; and/or

(B) a short-term senior unsecured debt or issuer credit rating of "F1" from Fitch; or

(C) such other ratings as confirmed by Fitch.

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, including any implementing and/or delegated regulation, technical standards and guidance related thereto.

"**Equity Security**" means any security that by its terms does not provide for periodic payments of interest at a stated coupon rate and repayment of principal at a stated maturity and any other security that is not eligible for purchase by the Issuer as a Collateral Obligation; it being understood that Equity Securities do not include

Collateral Enhancement Obligations and Equity Securities may not be purchased by the Issuer but may be received by the Issuer in exchange for a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the issuer or obligor thereof.

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

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

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

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

"**Event of Default**" means each of the events defined as such in Condition 10(a) (*Events of Default*).

"**Excess CCC Adjustment Amount**" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the Aggregate Principal Balance of all CCC Excess Obligations; *over*

(b) the aggregate for all CCC Excess Obligations of the product of (i) the Market Value and (ii) the Principal Balance (or portion thereof) forming part of the CCC Excess, as applicable, in each case of such Collateral Obligation,

in each case as determined as at such date of determination

"**Excess Long Dated Collateral Obligations**" means, if and to the extent that the Principal Balance of Long Dated Collateral Obligations exceeds 5 per cent. of the Collateral Principal Amount, such Long Dated Collateral Obligations or proportion thereof which represents such excess, provided that in determining which of the Long Dated Collateral Obligations are to be treated as being in such excess, the Long Dated Collateral Obligations with the latest Collateral Obligation Stated Maturity shall be deemed to constitute the excess.

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

"**Exchanged Equity Security**" means an equity security which is not a Dutch Ineligible Security and which is delivered to the Issuer upon acceptance of an Offer in respect of a Defaulted Obligation or received by the Issuer as a result of restructuring of the terms in effect as of the later of the Issue Date or date of issuance of the relevant Collateral Obligation.

"**Expense Reserve Account**" means an interest bearing account in the name of the Issuer so entitled and held by the Account Bank.

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

"**FATCA**" means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

"**Fitch**" means Fitch Ratings Limited or any successor or successors thereto.

"**Fitch CCC Obligations**" means all Collateral Obligations, excluding Defaulted Obligations, with a Fitch Rating of "CCC+" or lower.

"**Fitch Collateral Value**" means, in the case of any Collateral Obligation or Eligible Investment, the lower of:

(a) its prevailing Market Value; and

(b) the relevant Fitch Recovery Rate for such Collateral Obligation,

multiplied by its Principal Balance, *provided that* if either (i) the Market Value cannot be determined for any reason or (ii) such Collateral Obligation has been a Defaulted Obligation for a period of 30 calendar days or less, then the Fitch Collateral Value shall be determined in accordance with paragraph (b) above.

"**Fitch Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fitch Recovery Rate**" means, in respect of each Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by Fitch.

"**Fitch Test Matrices**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**Fixed Rate Collateral Obligation**" means any Collateral Obligation that bears a fixed rate of interest.

"**Floating Rate Collateral Obligation**" means any Collateral Obligation that bears a floating rate of interest.

"**Floating Rate Notes**" means the Class A-1 Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Floating Rate of Interest**" has the meaning given thereto in Condition 6(e)(i) (*Floating Rate of Interest*).

"**Form Approved Hedge**" means either:

(i) an Interest Rate Hedge Transaction; or

(ii) a Currency Hedge Transaction,

the documentation of which conforms to a form for which Rating Agency Confirmation has been received by the Issuer or which has previously been approved by the Rating Agencies and in respect of which the Rating Agencies have not notified the Issuer or Collateral Manager that such approval has been withdrawn (in each case save for the amount and timing of periodic payments, the name of the Collateral Obligation, the notional amount, the effective date, the termination date and other consequential and immaterial changes which have been notified in writing to the Rating Agencies).

"**Forward Purchase Agreement**" means the agreement entered into between NIBC Bank N.V. and the Issuer, dated as at 12 December 2013.

"**Foundation**" means Stichting North Westerly CLO IV 2013, a foundation (*stichting*) established under the laws of The Netherlands.

"**Hedge Agreement**" means any Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable) and "**Hedge Agreements**" means any of them.

"**Hedge Counterparty**" means any Interest Rate Hedge Counterparty or Currency Hedge Counterparty (as applicable) and "**Hedge Counterparties**" means any of them and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Hedge Counterparty Termination Payment**" means the amount payable by a Hedge Counterparty to the Issuer upon termination of a Hedge Transaction (in whole or in part), but excluding any due and unpaid scheduled amounts payable thereunder.

"**Hedge Issuer Tax Credit Payments**" means any amounts payable by the Issuer to a Hedge Counterparty pursuant to the terms of a Hedge Agreement in connection with any credit against, relief or remission for, or

repayment of, any tax that has been obtained or utilised by the Issuer and which is attributable to a grossed up payment made by that Hedge Counterparty as a result of or in connection with any required withholding or deduction for or on account of any tax (or to such withholding or deduction itself) (but excluding, for the avoidance of doubt, any Hedge Issuer Termination Payments).

"**Hedge Issuer Termination Payment**" means the amount payable by the Issuer to a Hedge Counterparty upon termination of a Hedge Transaction, but excluding any due and unpaid scheduled amounts payable thereunder.

"**Hedge Replacement Payment**" means any amount payable to a Hedge Counterparty by the Issuer upon entry into a Replacement Hedge Transaction which is replacing a Hedge Transaction which was terminated.

"**Hedge Replacement Receipt**" means any amount payable to the Issuer by a Hedge Counterparty upon entry into a Replacement Hedge Transaction which is replacing a Hedge Transaction which was terminated.

"**Hedge Termination Account**" means in respect of any Hedge Agreement the interest bearing account of the Issuer with the Account Bank into which all Hedge Counterparty Termination Payments and Hedge Replacement Receipts relating to that Hedge Agreement will be deposited.

"**Hedge Transaction**" means any Interest Rate Hedge Transaction or any Currency Hedge Transaction (as applicable) and "**Hedge Transactions**" means any of them.

"**Hedging Condition**" means, in respect of a Hedge Agreement or a Hedge Transaction, receipt by the Collateral Manager of legal advice from reputable legal counsel to the effect that the entry into such arrangements shall not require any of the Issuer, its directors or officers or the Collateral Manager or its directors, officers or employees to register with the United States 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.

"**Incentive Collateral Management Fee**" means the fee payable to the Collateral Manager pursuant to the Collateral Management and Administration Agreement on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed being an amount equal to 10 per cent. of any Interest Proceeds and Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with paragraph (Z) of the Interest Priority of Payments and paragraph (R) of the Principal Priority of Payments. Upon the appointment of a successor Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer and such successor Collateral Manager may agree (subject to the approval of the Controlling Class acting by Ordinary Resolution) to amend the Incentive Collateral Management Fees, provided that such Incentive Collateral Management Fees are no greater than what would otherwise have been paid to the original Collateral Manager.

"**Incentive Collateral Management Fee IRR Threshold**" means the threshold which will have been reached on the relevant Payment Date if the Outstanding Subordinated Notes have received an annualised internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package and assuming for this purpose that all Subordinated Notes were purchased on the Issue Date at a price equal to the Subordinated Notes Initial Offer Price Percentage of the principal amount thereof) of at least 12 per cent. on the Principal Amount Outstanding of the Subordinated Notes on the Issue Date (determined as of 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, in respect of a Collateral Obligation, a covenant by any Obligor pursuant to the applicable Underlying Instrument to comply with one or more financial covenants or undertakings only upon the occurrence of certain actions of such Obligor, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"**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 (if any) assigned to such Class of Notes by such Rating Agency as at the Issue Date and "**Initial Rating**" means each such rating.

"**Interest Account**" means an interest bearing account described as such in the name of the Issuer with the Account Bank into which Interest Proceeds are to be paid.

"**Interest Amount**" has the meaning specified in Condition 6(e)(ii) (*Interest on the Floating Rate Notes*) in respect of the Floating Rate Notes and has the meaning specified in Condition 6(e)(iii) (*Calculation of Class A-2 and Class B-2 Fixed Amounts*) in respect of the Class A-2 Notes and the Class B-2 Notes.

"**Interest Coverage Amount**" means, on any particular Measurement Date (without double counting), the sum of:

(a) the Balance standing to the credit of the Interest Account;

(b) plus the scheduled interest payments 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 Obligations (which, in the case of a Non-Euro Obligation (i) to the extent that a Currency Hedge Agreement is in place, shall be deemed to be converted into Euro at the applicable Currency Hedge Transaction Exchange Rate for the related Currency Hedge Transaction or (ii) to the extent that a Currency Hedge Agreement is not in place, shall be deemed to be converted into Euro at the product of (A) the Spot Rate and (B) the applicable Non-Euro Haircut in respect of such Non-Euro Obligation *provided that*, if such Non-Euro Obligation is not subject to a Currency Hedge Transaction for a period of six consecutive months, the amount determined pursuant to this paragraph (b) in respect of such Non-Euro Obligation shall be deemed to be zero until such time as a Currency Hedge Transaction is entered into in respect of such Non-Euro Obligation) excluding (without double counting):

(i) accrued and unpaid interest on Defaulted Obligations or Deferring Securities;

(ii) interest on any Collateral Obligation to the extent that such Collateral Obligation does not provide for the scheduled payment of interest in cash;

(iii) any amounts, to the extent that such amounts if not paid, will not give rise to a default under the relevant Collateral Obligation;

(iv) any amounts expected to be withheld at source or otherwise deducted in respect of taxes;

(v) any scheduled interest payments as to which the Issuer or the Collateral Manager has actual knowledge that such payment will not be made;

(vi) any Purchased Accrued Interest; and

(vii) any interest in respect of a PIK Security that has been deferred.

(c) minus the amounts payable pursuant to paragraphs (A) through to (F) of the Interest Priority of Payments on the following Payment Date; and

(d) plus any Scheduled Periodic Hedge Counterparty Payments payable to the Issuer under any Interest Rate Hedge Transaction or Currency Hedge Transaction (as determined by the Issuer with the reasonable assistance of the Collateral Manager) to the extent not already included in accordance with (b) above.

For the purposes of calculating any Interest Coverage Amount, the expected or scheduled interest income on Floating Rate Collateral Obligations and Eligible Investments and the expected or scheduled interest payable on any Class of Notes and on any relevant Account shall be calculated using then current interest rates applicable thereto.

"**Interest Coverage Ratio**" means the Class A/B Interest Coverage Ratio, the Class C Interest Coverage Ratio, the Class D Interest Coverage Ratio and the Class E Interest Coverage Ratio. For the purposes of calculating an Interest Coverage Ratio, the expected interest income on Collateral 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 as at the relevant Measurement Date.

"**Interest Coverage Test**" means the Class A/B Interest Coverage Test, Class C Interest Coverage Test, the Class D Interest Coverage Test and Class E Interest Coverage Test.

"**Interest Determination Date**" means the second Business Day prior to the commencement of each Accrual Period. For the avoidance of doubt, in respect of the Issue Date, the Calculation Agent will determine the offered rate by reference to a straight line interpolation of 6 month EURIBOR and 9 month EURIBOR on the Issue Date but such offered rate shall be calculated as of the second Business Day prior to the Issue Date.

"**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.

"**Interest Priority of Payments**" means the priorities of payments in respect of Interest Proceeds set out in Condition 3(c)(i) (*Application of Interest Proceeds*).

"**Interest Proceeds**" means all amounts paid or payable into the Interest Account from time to time and, with respect to any Payment Date, means any Interest Proceeds received or receivable by the Issuer during the related Due Period to be disbursed pursuant to the Interest Priority of Payments on such Payment Date, together with any other amounts to be disbursed out of the Payment Account as Interest Proceeds on such Payment Date pursuant to Condition 3(i) (*Accounts*).

"**Interest Rate Hedge Agreement**" means each 1992 ISDA Master Agreement (Multicurrency-Cross Border) or 2002 ISDA Master Agreement (or such other ISDA pro forma Master Agreement as may be published by ISDA from time to time) and the schedule relating thereto which is entered into between the Issuer and an Interest Rate Hedge Counterparty, including any guarantee thereof and any credit support annex entered into pursuant to the terms thereof and together with each confirmation entered into thereunder from time to time in respect of an Interest Rate Hedge Transaction, as amended or supplemented from time to time and including any Replacement Interest Rate Hedge Agreement entered into in replacement thereof.

"**Interest Rate Hedge Counterparty**" means each financial institution with which the Issuer enters into an Interest Rate Hedge Agreement or any permitted assignee or successor under any Interest Rate Hedge Agreement which, in each case, satisfies the applicable Required Ratings (as defined in the relevant Hedge Agreement) upon the date of entry into such agreement (or in respect of which Rating Agency Confirmation has been obtained on such date) and provided always that such financial institution has the regulatory capacity as a matter of Dutch law to enter into derivatives transactions with Dutch residents.

"**Interest Rate Hedge Issuer Termination Payment**" means any amount payable by the Issuer to an Interest Rate Hedge Counterparty upon termination of the applicable Interest Rate Hedge Agreement (in whole) or Interest Rate Hedge Transaction (in whole or in part) or in connection with a modification of the applicable Interest Rate Hedge Agreement or Interest Rate Hedge Transaction.

"**Interest Rate Hedge Transaction**" means each interest rate protection transaction entered into under an Interest Rate Hedge Agreement which may be an interest rate swap, an interest rate cap or an interest rate floor transaction.

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended.

"**Investment Criteria Adjusted Balance**" means with respect to a Collateral Obligation, the Principal Balance of such Collateral Obligation, provided that the Investment Criteria Adjusted Balance of:

(a) a Deferring Security shall be the lesser of:

 (i) its S&P Collateral Value; and

 (ii) its Fitch Collateral Value,

(b) a Discount Obligation shall be the product of such obligation's:

(i) purchase price (expressed as a percentage of par); and

(ii) Principal Balance,

(c) a CCC Excess Obligation (or portion of its Principal Balance forming part of the CCC Excess as applicable) shall be its Market Value multiplied by such portion of its Principal Balance forming part of the CCC Excess,

provided that if a Collateral Obligation satisfies two or more of (a) through (c) above, the Investment Criteria Adjusted Balance of such Collateral Obligation shall be calculated using the category which results in the lowest value.

"**IRS**" means the United States Internal Revenue Service or any successor thereto.

"**Issue Date**" means 19 December 2013 (or such other date as may shortly follow such date as may be agreed between the Issuer, each Arranger and Joint Lead Manager and the Collateral Manager and is notified to the Noteholders in accordance with Condition 16 (*Notices*) and the requirements of the Irish Stock Exchange).

"**Issuer Dutch Account**" means the account in the name of the Issuer established in The Netherlands for the purposes of, *inter alia*, holding the proceeds of the issued share capital of the Issuer and any Issuer Profit Amounts.

"**Issuer Profit Amount**" means the minimum profit to be retained by the Issuer for Dutch tax purposes, being EUR 19,965 per annum.

"**Joint Lead Managers**" means The Royal Bank of Scotland plc and NIBC Bank N.V.

"**Letters of Credit**" means contracts under which a bank, at the request of a buyer on the sale of specific goods, agrees to pay the beneficiary on the sale contract (such party being the seller in connection with the sale of specific goods), a certain amount against the presentation of specified documents relating to those goods.

"**Long Dated Collateral Obligations**" means any Collateral Obligation which, following a Restructuring, has a Collateral Obligation Stated Maturity which occurs later than the Maturity Date.

"**Maintenance Covenant**" means, in respect of a Collateral Obligation, a covenant by any Obligor pursuant to the applicable Underlying Instrument to comply with one or more financial covenants or undertakings during each reporting period applicable to such Collateral Obligation, whether or not such Obligor has taken any specified action. For the avoidance of doubt, a covenant or undertaking that otherwise satisfies the definition hereof and only applies when amounts are outstanding under the related Collateral Obligation (excluding other loans within the same credit facility (if any)) shall be a Maintenance Covenant.

"**Main Securities Market**" means the regulated market of the Irish Stock Exchange.

"**Mandatory Redemption**" means a redemption of the Notes pursuant to and in accordance with Condition 7(c) (*Mandatory Redemption upon Breach of Coverage Tests*).

"**Margin Stock**" means margin stock as defined under Regulation U issued by the Federal Reserve Board, including any debt security which is by its terms convertible into Margin Stock.

"**Market Value**" means, in respect of a Collateral Obligation (expressed as a percentage of the Principal Balance, or relevant portion, in respect thereof) on any date of determination and as provided by the Collateral Manager to the Collateral Administrator:

(a) the bid price of such Collateral Obligation determined by an independent recognised pricing service; or

(b) if such independent recognised pricing service is not available, the mean of the bid prices determined by three independent broker-dealers active in the trading of such Collateral Obligation; or

(c) if three such broker-dealer prices are not available, the lower of the bid side prices determined by two such broker-dealers in respect of such Collateral Obligation; or

(d) if two such broker-dealer prices are not available, the bid side price determined by one independent broker-dealer (unless the fair market value thereof determined by the Collateral Manager pursuant to (e)(ii) hereafter would be lower) of such Collateral Obligation; or

(e) if the determinations of such broker-dealers or independent recognised pricing service are not available, then the lower of:

(i) the higher of (x) the S&P Recovery Rate of such Collateral Obligation; and (y) 70 per cent. of such Collateral Obligation's Principal Balance; and

(ii) the fair market value thereof determined by the Collateral Manager on a best efforts basis in a manner consistent with reasonable and customary market practice, in each case, as notified to the Collateral Administrator on the date of determination thereof,

provided however that, for the purposes of this definition, "**independent**" shall mean: (A) that each pricing service and broker-dealer from whom a bid price is sought is independent from each of the other pricing service and broker-dealers from whom a bid price is sought and (B) each pricing or information service and broker dealer is not an Affiliate of the Collateral Manager.

"**Maturity Amendment**" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance (other than (i) in connection with an insolvency, bankruptcy, reorganisation, debt restructuring or workout of the Obligor thereof or (ii) a Credit Restructuring Amendment) that would extend the Collateral Obligation Stated Maturity of such Collateral Obligation (whether by way of amendment and restatement of the existing facility or novation or substitution on substantially the same terms save for the maturity amendment). For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the Collateral Obligation Stated Maturity of the credit facility of which a Collateral Obligation is part, but would not extend the Collateral Obligation Stated Maturity of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"**Maturity Date**" means the Payment Date falling in January 2026.

"**Maximum Par Amount**" means €316,000,000.

"**Measurement Date**" means:

(a) the Effective Date;

(b) for the purposes of determining satisfaction of the Reinvestment Criteria, any Business Day after the Effective Date on which such criteria are required to be determined;

(c) the date of acquisition of any additional Collateral Obligation or Substitute Collateral Obligations following the Effective Date;

(d) each Determination Date;

(e) the date as at which any Report is prepared; and

(f) following the Effective Date, with reasonable (and not less than five Business Days') notice, any Business Day requested by any Rating Agency then rating any Class of Notes Outstanding.

"**Mezzanine Obligation**" means 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, as determined by the Collateral Manager in its reasonable business judgment, or a Participation therein.

"**Minimum Denomination**" means €250,000.

"**Monthly Report**" means the monthly report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer on such dates as are set forth in the Collateral Management and Administration Agreement, which shall include information regarding the status of certain of the Collateral pursuant to the Collateral Management and Administration Agreement made available via a secured website currently located at http://usbtrustgateway.usbank.com/portal/login.do which shall be accessible to the Issuer, the Arrangers, the Trustee, the Collateral Manager, the Hedge Counterparties, Intex Solutions, Inc. and the Rating Agencies and to any Noteholder or any person who informs the Collateral Administrator in writing that it is a prospective investor in the Notes 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.

"**Non-Call Period**" means the period from and including the Issue Date up to, but excluding, the Payment Date falling in January 2017.

"**Non-Euro Haircut**" means, in respect of any Non-Euro Obligation:

(a) if such Non-Euro Obligation is denominated in GBP or U.S. Dollar, 0.70; or

(b) if such Non-Euro Obligation is denominated in a currency other than GBP or U.S. Dollar, 0.50.

"**Non-Euro Obligation**" means any Collateral Obligation which is denominated in United States dollars, pounds sterling, Swedish kronor, Norwegian kroner, Danish kroner or Swiss francs that, as of its date of purchase, satisfies each of the Eligibility Criteria (save for that relating to its currency of denomination).

"**Note Payment Sequence**" means the application of Interest Proceeds or Principal Proceeds, as applicable, in accordance with the relevant Priorities of Payments in the following order:

(a) *firstly*, to the redemption of the Class A Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed;

(b) *secondly*, to the redemption of the Class B Notes (on a *pro rata* and *pari passu* basis) at the applicable Redemption Price in whole or in part until the Class B Notes have been fully redeemed;

(c) *thirdly*, to the redemption of the Class C Notes including any Deferred Interest thereon (on a *pro rata basis*) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(d) *fourthly*, to the redemption of the Class D Notes including any Deferred Interest thereon (on a *pro rata basis*) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed; and

(e) *fifthly*, to the redemption of the Class E Notes including any Deferred Interest thereon (on a *pro rata basis*) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed,

provided that, for the purposes of any redemption of the Notes in accordance with the Note Payment Sequence following any breach of Coverage Tests (excluding, for the purposes of the application of Interest Proceeds only, the Class E Coverage Tests), the Note Payment Sequence shall terminate immediately after amounts are paid in respect of the paragraph above that refers to the Class of Notes to which such Coverage Test relates.

"**Note Tax Event**" means, at any time:

(a) the introduction of a new, or any change in, 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 and/or the Subordinated Notes becoming subject to any withholding tax other than:

    (i) a payment in respect of Deferred Interest becoming subject to any withholding tax;

(ii) withholding tax in respect of FATCA; and

(iii) by reason of the failure by the relevant Noteholder or beneficial owner to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax or to provide information concerning nationality, residency or connection with The Netherlands, the United States or other applicable taxing authority; or

(b) tax authorities (other than The Netherlands) impose net income, profits or similar tax upon the Issuer.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time in accordance with and subject to their terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"**Obligor**" means, in respect of a Collateral Obligation, the borrower thereunder or issuer thereof or, in either case, the guarantor thereof (as determined by the Collateral Manager on behalf of the Issuer).

"**Offer**" means, with respect to any Collateral Obligation, (a) any offer by the Obligor under such obligation or by any other Person made to all of the creditors of such Obligor in relation to such obligation to purchase or otherwise acquire such obligation (other than pursuant to any redemption in accordance with the terms of the related Underlying Instruments) or to convert or exchange such obligation into or for cash, securities or any other type of consideration (whether by way of amendment and restatement of the existing facility, novation or substitution), (b) any solicitation by the Obligor of such obligation or any other Person to amend, modify or waive any provision of such obligation or any related Underlying Instrument or (c) any offer or consent request with respect to a Maturity Amendment or Credit Restructuring Amendment.

"**Optional Redemption**" means a redemption pursuant to and in accordance with Condition 7(b) (*Optional Redemption*).

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

"**Outstanding**" means in relation to the Notes of a Class as of any date of determination, all of the Notes of such Class that have been issued and not redeemed or purchased and cancelled by the Issuer, as further defined in the Trust Deed.

"**Par Value Ratio**" means the Class A/B Par Value Ratio, Class C Par Value Ratio, the Class D Par Value Ratio or the Class E Par Value Ratio (as applicable).

"**Par Value Test**" means the Class A/B Par Value Test, Class C Par Value Test, the Class D Par Value Test or the Class E Par Value Test (as applicable).

"**Participation**" means an interest in a Collateral Obligation acquired indirectly by the Issuer by way of participation from a Selling Institution which shall include, for the purposes of the Bivariate Risk Table set forth in the Collateral Management and Administration Agreement, Intermediary Obligations.

"**Participation Agreement**" means an agreement between the Issuer and a Selling Institution in relation to the purchase by the Issuer of a Participation.

"**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*) and 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 15 January and 15 July in each year commencing on 15 July 2014 up to and including the Maturity Date, provided that if any Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day (unless it would thereby fall in the following month, in which case it shall be brought forward to the immediately preceding Business Day).

"**Payment Date Report**" means the report defined as such in the Collateral Management and Administration Agreement which is prepared by the Collateral Administrator (in consultation with the Collateral Manager) on behalf of the Issuer not later than 11.00 a.m. on the Business Day preceding the related Payment Date and made available via a secured website currently located at http://usbtrustgateway.usbank.com/portal/login.do which shall be accessible to the Issuer, the Arrangers, the Trustee, the Collateral Manager, the Hedge Counterparties, Intex Solutions, Inc. and the Rating Agencies and to any Noteholder or any person who informs the Collateral Administrator in writing that it is a prospective investor in the Notes 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.

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**PIK Security**" means any Collateral Obligation which is a security, the terms of which permit the deferral of the payment of all interest thereon, including without limitation by way of interest capitalising on such security as principal thereon (but excluding a Collateral Obligation which permits such deferral only upon an unavailability of proceeds for the Obligor to make such payment), provided that, for the avoidance of doubt, Mezzanine Obligations shall not constitute PIK Securities.

"**Plan Asset Regulation**" means 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, as they may be amended or modified.

"**Portfolio**" means the Collateral Obligations, Collateral Enhancement Obligations, Exchanged Equity Securities, Eligible Investments and other similar obligations or securities held by or on behalf of the Issuer from time to time.

"**Portfolio Profile Tests**" means the Portfolio Profile Tests each as defined in the Collateral Management and Administration Agreement.

"**Post-Acceleration Priority of Payments**" means the priority of payments set out in Condition 11 (*Enforcement*).

"**Presentation Date**" means a day which (subject to Condition 12 (*Prescription*)):

(a) is a Business Day;

(b) is or falls after the relevant due date or, if the due date is not or was not a Business Day in the place of presentation, is or falls after the next following Business Day which is a Business Day in the place of presentation; and

(c) is a Business Day in the place in which the account specified by the payee is located.

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

"**Principal Amount Outstanding**" means, in relation to any Class of Notes and at any time, the aggregate principal amount outstanding under such Class of Notes at that time, including, in the case of the Class C Notes, the Class D Notes and the Class E Notes, Deferred Interest which has been capitalised pursuant to Condition 6(c) (*Deferral of Interest*) save that Deferred Interest shall not be included for the purposes of determining voting rights attributable to the Class C Notes, Class D Notes and Class E Notes, as applicable, and the applicable quorum at any meeting of the Noteholders pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Principal Balance**" means, with respect to any Collateral Obligation, Eligible Investment, Collateral Enhancement Obligation, Equity Security or Exchanged Equity Security, as of any date of determination, the outstanding principal amount thereof (excluding any interest capitalised pursuant to the terms of such instrument other than, with respect to a Mezzanine Obligation and a PIK Security, any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation or PIK Security), provided however that:

(a) the Principal Balance of each Equity Security, Exchanged Equity Security and each Collateral Enhancement Obligation, shall be deemed to be zero;

(b) the Principal Balance of:

(i) any Non-Euro Obligation subject to a Currency Hedge Transaction shall be an amount equal to the amount that would have otherwise been the Principal Balance of such reference Non-Euro Obligation in its currency of denomination, multiplied by the Currency Hedge Transaction Exchange Rate; and

(ii) any Non-Euro Obligation which is not subject to a Currency Hedge Transaction shall be an amount equal to the amount that would otherwise have been the Principal Balance of such reference Non-Euro Obligation in its currency of denomination, multiplied by:

(A) for the purposes of:

(1) the calculation of the Weighted Average Floating Spread and the Weighted Average Coupon;

(2) the determination of whether an Event of Default has occurred pursuant to Condition 10(a)(iv) (*Collateral Obligations*) or if the Redemption Threshold Amount has been met pursuant to Condition 7(b) (*Optional Redemption*); and

(3) the determination of whether the Collateral Principal Amount exceeds the Maximum Par Amount,

the Spot Rate; and

(B) for all other purposes, the product of (x) the Spot Rate and (y) the applicable Non-Euro Haircut in respect of such Non-Euro Obligation,

provided that, in respect of paragraphs (A)(1) and (B) above, if such Non-Euro Obligation is not subject to a Currency Hedge Transaction for a period of six consecutive months, the Principal Balance of such Non-Euro Obligation shall be zero until such time as a Currency Hedge Transaction is entered into in respect of such Non-Euro Obligation;

(c) for the purposes solely of paragraphs (d)(iii) and (f)(ii) of the Reinvestment Criteria applying during the Reinvestment Period, the Principal Balance of any Defaulted Obligation shall be the lower of its Fitch Collateral Value and its S&P Collateral Value; and

(d) so long as S&P is rating any Notes, if the S&P Rating of a Collateral Obligation cannot be determined, the Principal Balance of such Collateral Obligation shall be zero until an S&P Rating can be determined in respect of such Collateral Obligation or such other treatment being applied to such Collateral Obligation as may be advised by S&P, provided however that this paragraph (d) shall not apply for the determination of whether the Collateral Principal Amount exceeds the Maximum Par Amount.

"**Principal Priority of Payments**" means the priority of payments in respect of Principal Proceeds set out in Condition 3(c)(ii) (*Application of Principal Proceeds*).

"**Principal Proceeds**" means all amounts payable out of, paid out of, payable into or paid into the Principal Account from time to time and, with respect to any Payment Date, means Principal Proceeds received or receivable by the Issuer during the related Due Period and any other amounts to be disbursed as Principal Proceeds on such Payment Date pursuant to Condition 3(c)(ii) (*Application of Principal Proceeds*) or Condition 11(b) (*Enforcement*). For the avoidance of doubt, amounts received as principal proceeds in connection with an Offer for the exchange of a Collateral Obligation for a new or novated obligation or substitute obligation will not constitute Principal Proceeds and will not be deposited into the Principal Account to the extent such principal proceeds are required to be applied as consideration for the new or novated obligation or substitute obligation (subject to the Restructured Obligation Criteria being satisfied).

"**Priorities of Payments**" means:

(a) save for (i) in connection with any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*), (ii) in connection with a redemption in whole pursuant to Condition 7(g) (*Redemption Following Note Tax Event*) or (iii) following the effectiveness of an Acceleration Notice (whether deemed or otherwise) which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), in the case of Interest Proceeds, the Interest Priority of Payments and in the case of Principal Proceeds, the Principal Priority of Payments; and

(b) in the event of any optional redemption of the Notes in whole but not in part pursuant to Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) or following the effectiveness of an Acceleration Notice which has not subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*), the Post-Acceleration Priority of Payments.

"**Project Finance Loan**" means a loan obligation under which the obligor is obliged to make payments that depend (except for rights or other assets designed to assure the servicing or timely distribution of payments) on revenues arising from infrastructure assets, including, without limitation:

(a) the sale of products, such as electricity, water, gas or oil, generated by one or more infrastructure assets in the utility industry by a special purpose entity; and

(b) fees charged in respect of one or more highways, bridges, tunnels, pipelines or other infrastructure assets by a special purpose entity, and

in each case, the sole activity of such special purpose entity is the ownership and/or management of such asset or assets and the acquisition and/or development of such asset by the special purpose entity was effected primarily with the proceeds of debt financing made available to it on a limited recourse basis.

"**Purchased Accrued Interest**" means, with respect to any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (excluding any interest capitalised and added to the principal amount of such Collateral Obligation pursuant to the terms of the relevant Underlying Instrument), which was purchased at the time of the acquisition thereof with Principal Proceeds and/or amounts paid out of the Unused Proceeds Account.

"**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Purchaser**" and "**QP**" mean a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act and the rules and regulations thereunder.

"**Qualifying Country**" means any of Austria, Belgium, Denmark, Finland, France, Germany, Luxembourg, The Netherlands, Norway, Sweden, Switzerland, United Kingdom (including the Channel Islands and the Isle of Man) or the United States of America.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

"**Rating Agencies**" means Fitch and S&P, provided that if at any time Fitch and/or S&P ceases to provide rating services, "Rating Agencies" shall mean any other nationally recognised investment rating agency or rating agencies (as applicable) selected by the Issuer and satisfactory to the Trustee (a "**Replacement Rating Agency**") and "**Rating Agency**" means any such rating agency. In the event that at any time a Rating Agency is replaced by a Replacement Rating Agency, references to rating categories of the original Rating Agency in these Conditions, the Trust Deed and the Collateral Management and Administration Agreement shall be deemed instead to be references to the equivalent categories of the relevant Replacement Rating Agency as of the most recent date on which such other rating agency published ratings for the type of security in respect of which such Replacement Rating Agency is used and all references herein to "Rating Agencies" shall be construed

accordingly. Any rating agency shall cease to be a Rating Agency if, at any time, it ceases to assign a rating in respect of any Class of Rated Notes.

"**Rating Agency Confirmation**" means, with respect to any specified action, determination or appointment, receipt by the Issuer and/or the Trustee of written confirmation (which may take the form of a bulletin, press release, email or other written communication) by each Rating Agency which has, as at the relevant date assigned ratings to any Class of the Rated Notes that are Outstanding (or, if applicable, the Rating Agency specified in respect of any such action or determination, provided that such Rating Agency has, as at the relevant date assigned ratings to any Class of the Rated Notes) that such specified action, determination or appointment will not result in the reduction or withdrawal of any of the ratings currently assigned to the Rated Notes by such Rating Agency. Notwithstanding anything to the contrary in any Transaction Document and these Conditions, no Rating Agency Confirmation shall be required from a Rating Agency in respect of any action, determination or appointment if (i) such Rating Agency has declined a request from the Trustee, the Collateral Manager or the Issuer to review the effect of such action, determination or appointment or (ii) such Rating Agency announces (publicly or otherwise) or confirms to the Trustee, the Collateral Manager or the Issuer that Rating Agency Confirmation from such Rating Agency is not required, or that its practice is to not give such confirmations for such type of action, determination or appointment or (iii) such Rating Agency has ceased to engage in the business of providing ratings or has made a public statement to the effect that it will no longer review events or circumstances of the type requiring a Rating Agency Confirmation under any Transaction Document or these Conditions for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by such Rating Agency.

"**Rating Confirmation Plan**" means a plan provided by the Collateral Manager (acting on behalf of the Issuer) to the Rating Agencies setting forth the intended timing and manner of acquisition of additional Collateral Obligations or Substitute Collateral Obligations and/or any other intended action which will cause confirmation of the Initial Ratings, as further described and as defined in the Collateral Management and Administration Agreement.

"**Rating Event**" means, at any time, the reduction or withdrawal of any of the ratings then assigned to the Rated Notes by a Rating Agency.

"**Rating Requirement**" means:

(a) in the case of the Account Bank:

  (i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

  (ii) a long-term issuer credit rating of at least "A" by S&P and, if it has a long-term issuer credit rating of "A" by S&P, a short-term issuer credit rating of "A-1" by S&P or, if it does not have an S&P long-term issuer credit rating, a short-term issuer credit rating of at least "A-1" by S&P;

(b) in the case of the Custodian or any sub-custodian appointed thereby:

  (i) a long-term issuer default rating of at least "A" and a short-term issuer default rating of at least "F1" by Fitch; and

  (ii) a long-term issuer credit rating of at least "A" by S&P and, if it has a long-term issuer credit rating of "A" by S&P, a short-term issuer credit rating of "A-1" by S&P or, if it does not have an S&P long-term issuer credit rating, a short-term issuer credit rating of at least "A-1" by S&P;

(c) in the case of any Hedge Counterparty, the ratings requirement(s) as set out in the relevant Hedge Agreement; and

(d) in the case of a Selling Institution with regards to a Participation only, a counterparty which satisfies the ratings set out in the Bivariate Risk Table; or

in each case, (x) such other rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then rating of the Rated Notes, and (y) if any of the requirements are not satisfied, by any of the parties referred to herein, Rating Agency Confirmation from the relevant Rating Agency is received in respect of such party.

"**Record Date**" means the fifteenth day before the relevant due date for payment of principal and interest in respect of such Note.

"**Redemption Date**" means a Payment Date specified for a redemption of the Notes of a Class pursuant to Condition 7 (*Redemption and Purchase*) or the date on which the Notes of such Class are accelerated pursuant to Condition 10 (*Events of Default*).

"**Redemption Determination Date**" has the meaning given thereto in Condition 7(b)(iv) (*Redemption effected through Liquidation only*).

"**Redemption Notice**" means a redemption notice in the form available from the Transfer Agent which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date.

"**Redemption Price**" means, when used with respect to:

(a) any Subordinated Note, such Subordinated Note's *pro rata* share (calculated in accordance with paragraph (AA) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (X) 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

(b) any Rated Note, 100 per cent. of the Principal Amount Outstanding thereof (if any), together with any accrued and unpaid interest in respect thereof to the relevant day of redemption.

"**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 (to the extent such amounts are ascertainable by the Collateral Administrator or have been provided to the Collateral Administrator by the relevant Secured Party) which rank in priority to payments in respect of the Subordinated Notes in accordance with the Post-Acceleration Priority of Payments.

"**Reference Banks**" has the meaning given thereto in paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*).

"**Refinancing**" has the meaning given to it in Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*).

"**Refinancing Costs**" means the fees, costs, charges and expenses incurred by or on behalf of the Issuer in respect of a Refinancing, provided that such fees, costs, charges and expenses have been incurred as a direct result of a Refinancing, as determined by the Collateral Manager.

"**Refinancing Proceeds**" means the cash proceeds from a Refinancing.

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the terms of the Agency and Account Bank Agreement.

"**Regulated Activities**" means any investment management business in The Netherlands.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Notes**" means the Notes offered for sale to non-U.S. Persons outside of the United States in reliance on Regulation S.

"**Reinvestment Criteria**" means, during the Reinvestment Period, the criteria set out under "*During the Reinvestment Period*" and following the expiry of the Reinvestment Period, the criteria set out under "*Following*

the Expiry of the Reinvestment Period", each in Schedule 5 of the Collateral Management and Administration Agreement. The Reinvestment Criteria (except satisfaction of the Eligibility Criteria) shall not apply prior to the Effective Date or in the case of a Collateral Obligation which has been restructured where such restructuring has become binding on the holders thereof.

"**Reinvestment Overcollateralisation Test**" means the test which will apply as of any Measurement Date on and after the Effective Date and during the Reinvestment Period which will be satisfied on such Measurement Date if the ratio (expressed as a percentage) obtained by dividing (a) the amount equal to the Adjusted Collateral Principal Amount by (b) the sum of the Principal Amount Outstanding of the Rated Notes is at least equal to 108.38 per cent.

"**Reinvestment Period**" means the period from and including the Issue Date up to and including the earliest of: (i) the end of the Due Period preceding the Payment Date falling in 15 January 2018 or, if such day is not a Business Day, the immediately following Business Day; (ii) the date of the acceleration of the Notes pursuant to Condition 10(b) (*Acceleration*) (provided that such Acceleration Notice has not been rescinded or annulled in accordance with Condition 10(c) (*Curing of Default*)); and (iii) the date on which the Collateral Manager reasonably believes and notifies the Issuer, the Rating Agencies and the Trustee that it can no longer reinvest in additional Collateral Obligations or Substitute Collateral Obligations in accordance with the Reinvestment Criteria.

"**Reinvestment Target Par Balance**" means, as of any date of determination, the Target Par Amount minus the amount of any reduction in the Principal Amount Outstanding of the Notes (for the avoidance of doubt excluding any such reduction resulting from the payment of Deferred Interest).

"**Replacement Currency Hedge Agreement**" means any Currency Hedge Agreement entered into by the Issuer upon termination of an existing Currency Hedge Agreement on substantially the same terms as such existing Currency Hedge Agreement, that preserves for the Issuer the economic effect of the terminated Currency Hedge Agreement and all Currency Hedge Transactions thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Replacement Hedge Agreements**" means each Replacement Currency Hedge Agreement and each Replacement Interest Rate Hedge Agreement and "Replacement Hedge Agreement" means any of them.

"**Replacement Hedge Transaction**" means any replacement Interest Rate Hedge Transaction or Currency Hedge Transaction entered into under a Replacement Interest Rate Hedge Agreement or Replacement Currency Hedge Agreement (as applicable) (or under another existing Interest Rate Hedge Agreement or Currency Hedge Agreement with another Hedge Counterparty) in respect of the relevant terminated Interest Rate Hedge Transactions or Currency Hedge Transactions under the relevant terminated Interest Rate Hedge Agreement or Currency Hedge Agreement (as applicable).

"**Replacement Interest Rate Hedge Agreement**" means any Interest Rate Hedge Agreement entered into by the Issuer upon termination of an existing Interest Rate Hedge Agreement in full on substantially the same terms as the original Interest Rate Hedge Agreement that preserves for the Issuer the economic equivalent of the terminated Interest Rate Hedge Transactions outstanding thereunder, subject to such amendments as may be agreed by the Trustee and in respect of which Rating Agency Confirmation is obtained.

"**Report**" means each Monthly Report and Payment Date Report.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution, as the context may require.

"**Restricted Trading Period**" means the period during which:

(i) (a) the Fitch rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date, provided the Class A Notes are Outstanding, or (b) the S&P rating of the Class A Notes is withdrawn (and not reinstated) or is one or more sub-categories below its rating on the Issue Date, provided the Class A Notes are Outstanding; and

(ii) after giving effect to any sale (and any related reinvestment) or purchase of the relevant Collateral Obligations, the sum (without duplication) of (a) the Aggregate Principal Balance of the Collateral Obligations (excluding the Collateral Obligation being sold but including any related reinvestment), (b)

amounts standing to the credit of the Principal Account and Unused Proceeds Account (including the proceeds of sale not reinvested) and (c) Eligible Investments constituting Principal Proceeds or acquired with funds in the Unused Proceeds Account (including, without duplication, the related reinvestment or any remaining net proceeds of such sale) will be less than the Reinvestment Target Par Balance,

provided that, in any case, such period will not constitute a Restricted Trading Period if the Controlling Class, acting by Ordinary Resolution, has consented to waive the Restricted Trading Period; and *provided further* that no Restricted Trading Period shall restrict any purchase or sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such purchase or sale has settled.

"**Restructured Obligation**" means a Collateral Obligation which is subject to a Restructuring.

"**Restructured Obligation Criteria**" means the restructured obligation criteria specified in the Collateral Management and Administration Agreement which are required to be satisfied in respect of each Restructured Obligation at the applicable Restructuring Date.

"**Restructuring**" means, with respect to a Collateral Obligation, that such Collateral Obligation has been restructured (whether effected by way of an amendment to the terms and conditions of such Collateral Obligation) or by way of substitution of new obligations and/or change of Obligor), excluding amendments to solely change covenants and undertakings not directly affecting the payment obligations of the relevant Obligor, where such restructuring results in materially less attractive terms and conditions than the terms and conditions at the time of purchase of such Collateral Obligation (including, *inter alia*, an extension of maturity) (such materiality to be determined by the Collateral Manager in a commercially reasonable manner). For the avoidance of doubt, the acquisition of a Collateral Obligation by the Issuer where the purchase price is paid by way of a cashless rollover arrangement in respect of an existing Collateral Obligation shall be treated as the redemption of the existing Collateral Obligation and acquisition of the new Collateral Obligation.

"**Restructuring Date**" means the date a Restructuring of a Collateral Obligation becomes binding on the holders thereof, provided that if a Collateral 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 Collateral Obligation satisfies the Restructured Obligation Criteria.

"**Retention Notes**" means, for so long as any Class of Notes remains Outstanding, Subordinated Notes with an initial principal amount representing not less than 5 per cent. of the Maximum Par Amount subscribed for and held on an ongoing basis by the Collateral Manager.

"**Retention Requirements**" means the CRD Retention Requirements and the AIFMD Retention Requirements.

"**Rule 144A**" means Rule 144A of the Securities Act.

"**Rule 144A Notes**" means Notes offered for sale within the United States or to U.S. Persons in reliance on Rule 144A.

"**Rule 17g-5**" means Rule 17g-5 of the Exchange Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. and any successor or successors thereto.

"**S&P CCC Obligations**" means all Collateral Obligations, excluding Defaulted Obligations, with a S&P Rating of "CCC+" or lower.

"**S&P Collateral Value**" means:

(a) for each Defaulted Obligation and Deferring Security, the lower of:

(i) its prevailing Market Value; and

(ii) the relevant S&P Recovery Rate; or

(b) in the case of any other applicable Collateral Obligation, the relevant S&P Recovery Rate,

multiplied by its Principal Balance, *provided that* if either (i) the Market Value cannot be determined for any reason or (ii) such Collateral Obligation has been a Defaulted Obligation for a period of 30 calendar days or less, then the S&P Collateral Value shall be determined in accordance with paragraph (b) above.

"**S&P Matrix**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Rating**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**S&P Recovery Rate**" means in respect of any Collateral Obligation, the recovery rate determined in accordance with the Collateral Management and Administration Agreement or as so advised by S&P.

"**Sale Proceeds**" means:

(a) all proceeds received upon the sale of any Collateral Obligation or Exchanged Equity Security (other than any Non-Euro Obligation with a related Currency Hedge Transaction) excluding any sale proceeds representing accrued interest designated as Interest Proceeds by the Collateral Manager, provided that no such designation may be made in respect of: (i) Purchased Accrued Interest; or (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; or (iii) proceeds that represent deferred interest accrued in respect of any PIK Security; or (iv) proceeds representing accrued interest received in respect of any Defaulted Obligation unless and until such amounts represent Defaulted Obligation Excess Amounts;

(b) in the case of any Non-Euro Obligation with a related Currency Hedge Transaction, all amounts in Euros (or other currencies, if applicable) received by the Issuer from the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of the sale proceeds of any Collateral Obligation as described in paragraph (a) above, under the related Currency Hedge Transaction; and

(c) in the case of any Collateral Enhancement Obligation or Equity Security, all proceeds and any fees received upon the sale of such Collateral Enhancement Obligation or Equity Security (as applicable),

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 Obligation.

"**Scheduled Periodic Currency Hedge Counterparty Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Currency Hedge Counterparty to the Issuer pursuant to the terms of such Currency Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Currency Hedge Issuer Payment**" means, with respect to any Currency Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Currency Hedge Counterparty pursuant to the terms of such Currency Hedge Agreement, excluding any Currency Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Counterparty Payment**" means a Scheduled Periodic Currency Hedge Counterparty Payment or a Scheduled Periodic Interest Rate Hedge Counterparty Payment.

"**Scheduled Periodic Interest Rate Hedge Counterparty Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Hedge Counterparty to the Issuer pursuant to the terms of such Interest Rate Hedge Agreement, excluding any Hedge Counterparty Termination Payment.

"**Scheduled Periodic Interest Rate Hedge Issuer Payment**" means, with respect to any Interest Rate Hedge Agreement, all amounts scheduled to be paid by the Issuer to the applicable Interest Rate Hedge Counterparty pursuant to the terms of such Hedge Agreement, excluding any Interest Rate Hedge Issuer Termination Payment.

"**Scheduled Periodic Hedge Issuer Payment**" means a Scheduled Periodic Currency Hedge Issuer Payment or a Scheduled Periodic Interest Rate Hedge Issuer Payment.

"**Scheduled Principal Proceeds**" means:

(a) in the case of any Collateral Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments); and

(b) in the case of any Hedge Agreements, any Hedge Replacement Receipts and Hedge Counterparty Termination Payments transferred from the Hedge Termination Account into the Principal Account and any amounts transferred from a Counterparty Downgrade Collateral Account to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

"**Second Lien Loan**" means a Collateral Obligation that is a debt obligation (other than a Secured Senior Loan) with a junior contractual claim on tangible or intangible property (which property is subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) to secure payment of a debt or the fulfilment of a contractual obligation, as determined by the Collateral Manager in its reasonable commercial judgment, or a Participation therein.

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to each Secured Party, as further described in the Trust Deed.

"**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 Subordinated Noteholders, each Arranger and Joint Lead Manager, the Collateral Manager, the Trustee, any Receiver or other agent, delegate or appointee of the Trustee under the Trust Deed, the Agents, each Hedge Counterparty and the Corporate Services Provider and "**Secured Parties**" means any two or more of them as the context so requires.

"**Secured Senior Fixed Rate Note**" means a Secured Senior Note that bears a fixed rate of interest.

"**Secured Senior Loan**" means a Collateral Obligation that is a senior secured loan obligation as determined by the Collateral Manager in its reasonable business judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by the controlling equity interests in the shares of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or shares referred to in (a) above (which assets or shares are subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) provided that a revolving loan of the Obligor that, pursuant to its terms, may require one or more future advances to be made to the borrower may have a higher priority security interest in such assets or shares in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Floating Rate Loan**" means a Secured Senior Loan that bears a floating rate of interest.

"**Secured Senior Floating Rate Note**" means a Secured Senior Note that bears a floating rate of interest.

"**Secured Senior Floating Rate Obligation**" means a Secured Senior Floating Rate Note or a Secured Senior Floating Rate Loan.

"**Secured Senior Note**" means a Collateral Obligation that is a senior secured debt security in the form of, or represented by, a bond, note, certificated debt security or other debt security (that is not a Secured Senior Loan) as determined by the Collateral Manager in its reasonable judgment or a Participation therein, provided that:

(a) it is secured (i) by assets of the Obligor thereof if and to the extent that the provision of security over assets is permissible under applicable law (save in the case of assets where the failure to take such security is consistent with reasonable secured lending practices), and otherwise (ii) by the controlling equity interests in the share of an entity owning, either directly or indirectly, such assets; and

(b) no other obligation of the Obligor has any higher priority security interest in such assets or share referred to in (a) above (which assets or shares are subject to a prior lien (other than customary permitted liens, such as, but not limited to, any tax liens)) 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 share in the event of an enforcement in respect of such loan representing up to the Secured Senior RCF Percentage of the Obligor's senior debt.

"**Secured Senior Obligation**" means a Secured Senior Note or a Secured Senior Loan.

"**Secured Senior RCF Percentage**" means, in relation to a Secured Senior Note or a Secured Senior Loan, 15 per cent.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution from whom (i) a Participation is taken and satisfies the applicable Rating Requirement or (ii) an Assignment is acquired.

"**Senior Expenses Cap**" means, in respect of each Payment Date the sum of:

(a) €300,000 per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year comprised of twelve 30-day months); and

(b) 0.025 per cent. per annum (pro rated for the Due Period for the related Payment Date on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Adjusted Collateral Principal Amount as at the Determination Date immediately preceding the Payment Date in respect of such Due Period,

provided however that if the amount of Trustee Fees and Expenses and Administrative Expenses paid on the immediately preceding Payment Date or during the related Due Period is less than the stated Senior Expenses Cap, the excess (less any amount transferred to the Expense Reserve Account on such Payment Date pursuant to paragraph (D) of the Interest Priority of Payments) may be added to the Senior Expenses Cap with respect to the then current Payment Date. For the avoidance of doubt, any such excess may not at any time result in an increase of the Senior Expenses Cap on a per annum basis.

"**Senior Floating Rate Note**" means a Secured Senior Note or an Unsecured Senior Note that in each case bears a floating rate of interest.

"**Senior Loan Obligation**" means a Secured Senior Loan or an Unsecured Senior Loan.

"**Senior Management Fee**" means the fee payable to the Collateral Manager in arrears on each Payment Date in respect of each Due Period pursuant to the Collateral Management and Administration Agreement in an amount, as determined by the Collateral Administrator, equal to 0.125 per cent. per annum (calculated semi-annually on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Adjusted Collateral Principal Amount as at the last day of the Due Period (or, if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date as determined by the Collateral Administrator. Upon the appointment of a successor Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer and such successor Collateral Manager may agree (subject to the approval of the Controlling Class acting by Ordinary Resolution) to amend the Senior Management Fees, provided that such Senior Management Fees are no greater than what would otherwise have been paid to the original Collateral Manager.

"**Senior Note**" means a Secured Senior Note or an Unsecured Senior Note

"**Senior Obligation**" means a Collateral Obligation that is a Secured Senior Obligation, an Unsecured Senior Obligation or a Second Lien Loan, as determined by the Collateral Manager in its reasonable commercial judgment.

"**Similar Law**" means any federal, state, local or non-U.S. law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code.

"**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 or the Collateral Manager in consultation with the Collateral Administrator on the date of calculation.

"**Standard of Care**" has the meaning given to it in the Collateral Management and Administration Agreement.

"**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.

"**Structured Finance Security**" means any debt security which:

(a) 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;

(b) is issued by a specially created investment vehicle established for the purposes of issuing such debt security and acquiring such assets; and

(c) payments on such debt security depend primarily on the cash flows generated by such assets and other rights designed to assure timely payment, such as a liquidity facility or other credit enhancement,

including, without limitation, collateralised bond obligations, collateralised loan obligations or any similar security.

"**Subordinated Management Fee**" means the fee payable to the Collateral Manager in arrears on each Payment Date in respect of the immediately preceding Due Period, pursuant to the Collateral Management and Administration Agreement equal to 0.375 per cent. per annum (calculated semi-annually on the basis of a 360 day year and the actual number of days elapsed in such Due Period) of the Adjusted Collateral Principal Amount as at the last day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator. Upon the appointment of a successor Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer and such successor Collateral Manager may agree (subject to the approval of the Controlling Class acting by Ordinary Resolution) to amend the Subordinated Management Fees, provided that such Subordinated Management Fees are no greater than what would otherwise have been paid to the original Collateral Manager.

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

"**Subordinated Notes**" have the meaning ascribed to them in the first paragraph of these Conditions.

"**Subordinated Notes Initial Offer Price Percentage**" means 100 per cent.

"**Subscription Agreement**" means the subscription agreement between the Issuer, the Arrangers and the Joint Lead Managers dated as at 18 December 2013.

"**Substitute Collateral Obligation**" means a Collateral Obligation purchased in substitution for a previously held Collateral Obligation (whether purchased with Sale Proceeds or other Principal Proceeds in respect of such previously held Collateral Obligation) pursuant to the terms of the Collateral Management and Administration Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"**Supplemental Reserve Account**" means an interest bearing account in the name of the Issuer, so entitled and held with the Account Bank.

"**Supplemental Reserve Amount**" means, with respect to any Payment Date during the Reinvestment Period, the amount of Interest Proceeds deposited to the Supplemental Reserve Account on such Payment Date in accordance with paragraph (Y) of the Interest Priority of Payments, at the sole discretion of the Collateral Manager, which amounts shall not exceed (i) the lower of (a) €150,000 and (b) 5 per cent. of remaining Interest Proceeds, in the aggregate for any Payment Date or (ii) an aggregate amount for all applicable Payment Dates of €1,000,000.

"**Swapped Non-Discount Obligation**" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the Sale Proceeds of a Collateral Obligation (the "**Original Obligation**") that was not a Discount Obligation at the time of its purchase and which will not be considered a Discount Obligation so long as such purchased Collateral Obligation:

(a) is purchased or committed to be purchased within 20 Business Days of such sale of the Original Obligation;

(b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the Original Obligation; and

(c) is purchased at a price not less than 50 per cent. of the 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 Collateral Principal Amount (excluding the Principal Balance of each Defaulted Obligation), such excess will not constitute Swapped Non-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 not constitute Swapped Non-Discount Obligations;

(iii) in the case of a Collateral Obligation that is an interest (including a Participation) in a Secured Senior Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 90 consecutive days since the acquisition of such Collateral Obligation equals or exceeds 90 per cent;

(iv) in the case of any Collateral Obligation that is not an interest in a Secured Senior Obligation, such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as the Market Value (expressed as a percentage of its Principal Balance) for such Collateral Obligation on each day during any period of 90 consecutive days since the acquisition of such Collateral 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:

    (A) the Swapped Non-Discount Obligations with the lowest Market Value (expressed as a percentage of the Principal Balance of such Swapped Non-Discount Obligations as of the relevant date of determination) shall be deemed to constitute the excess; and

(B) for the purposes of sub-paragraph (ii) above, (x) the Swapped Non-Discount Obligations currently held by the Issuer shall be deemed to constitute part of the excess before any Swapped Non-Discount Obligations no longer held by the Issuer and (y) Swapped Non-Discount Obligations no longer held by the Issuer shall be deemed to have a Market Value and Principal Balance equal to their Market Value and Principal Balance determined as at the date on which the Issuer entered into a binding commitment to sell such Swapped Non-Discount Obligation.

"**Synthetic Security**" means a security or swap transaction (other than a Letter of Credit or a Participation) that has payments of interest or principal on a reference obligation or the credit performance of a reference obligation.

"**Target Par Amount**" means €300,000,000.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer system (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Trading Gains**" means, in respect of a Collateral Obligation which is repaid, redeemed or sold, any excess of (a) the aggregate Principal Proceeds or Sale Proceeds thereof over (b) the purchase price (inclusive of transfer costs) paid by or on behalf of the Issuer for such Collateral Obligation, in each case net of (i) any expenses incurred in connection with any such repayment, prepayment, redemption or sale thereof and (ii) any accrued (but uncapitalised) interest included in any Sale Proceeds (if applicable).

"**Transaction Documents**" means the Trust Deed (including the Notes and these Conditions), the Agency and Account Bank Agreement, the Subscription Agreement, the Collateral Management and Administration Agreement, each Hedge Agreement, each Collateral Acquisition Agreement, the Participation Agreements, the Issuer Management Agreements and any document supplemental thereto or issued in connection therewith.

"**Trustee Fees and Expenses**" means the fees and expenses (including, without limitation, legal fees) and all other amounts payable to the Trustee or to any Receiver, agent, delegate or other appointee of the Trustee 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, in respect of any Refinancing, any fees, costs, charges and expenses (including, without limitation, legal fees) properly incurred by the Trustee.

"**Underlying Instrument**" means the agreements or instruments pursuant to which a Collateral Obligation has been issued or created and each other agreement that governs the terms of, or secures the obligations represented by, such Collateral Obligation or under which the holders or creditors under such Collateral Obligation are the beneficiaries.

"**United States Person**" has the meaning given to it in Section 7701(a)(30) of the Code.

"**Unscheduled Principal Proceeds**" (i) with respect to any Collateral Obligation (other than a Non-Euro Obligation with a related Currency Hedge Transaction), principal proceeds received by the Issuer prior to the Collateral Obligation Stated Maturity thereof as a result of optional redemptions, prepayments (including any acceleration) or Offers (excluding any premiums or make whole amounts in excess of the principal amount of such Collateral Obligation) and (ii) with respect to any Non-Euro Obligation with a related Currency Hedge Transaction any amounts in Euro payable to the Issuer by the applicable Currency Hedge Counterparty in exchange for payment by the Issuer of any unscheduled principal proceeds specified in (i) above received in respect of any Collateral Obligation under the related Currency Hedge Transaction.

"**Unsecured Senior Fixed Rate Note**" means an Unsecured Senior Note that bears a fixed rate of interest.

"**Unsecured Senior Floating Rate Note**" means an Unsecured Senior Note that bears a floating rate of interest.

"**Unsecured Senior Loan**" means a Collateral Obligation that:

(a) is a loan obligation senior to any unsecured subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by assets of the Obligor thereof or (ii) by the controlling equity interests in the stock of an entity owning such assets.

"**Unsecured Senior Note**" means a Collateral Obligation that:

(a) is a debt security senior to any unsecured subordinated obligation of the Obligor as determined by the Collateral Manager in its reasonable business judgment; and

(b) is not secured (i) by assets of the Obligor thereof or (ii) by the controlling equity interests in the stock of an entity owning such assets.

"**Unsecured Senior Obligation**" means an Unsecured Senior Loan or an Unsecured Senior Note.

"**Unused Proceeds Account**" means an interest bearing account in the name of the Issuer with the Account Bank into which the Issuer will procure amounts are deposited in accordance with Condition 3(j)(iii) (*Unused Proceeds Account*).

"**U.S. Person**" means a U.S. person as such term is defined under Regulation S.

"**Weighted Average Floating Spread**" has the meaning given to it in the Collateral Management and Administration Agreement.

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

"**Zero Coupon Security**" means a security (other than a Step-Up Coupon Security) that, at the time of determination, does not provide for periodic payments of interest.

2. Form and Denomination, Title, Transfer and Exchange

(a) *Form and Denomination*

The Notes of each Class will be issued in definitive, certificated, fully registered form, without interest coupons, talons and principal receipts attached, in the applicable Minimum Denomination and integral multiples of any Authorised Integral Amount in excess thereof. A Definitive Certificate will be issued to each Noteholder in respect of its registered holding of Notes. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(b) *Title to the Registered Notes*

Title to the Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency and Account Bank Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(c) *Transfer*

One or more Notes may be transferred in whole or in part in nominal amounts of the applicable Authorised Denomination only upon the surrender, at the specified office of the Registrar or the Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form

of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(d) *Delivery of New Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c) (*Transfer*) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing certificate upon partial redemption. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be sent by courier, at the risk of the holder entitled to the new Definitive Certificate, to such address as may be so specified. In this Condition 2(d) (*Delivery of New Certificates*), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Transfer Agent and the Registrar.

(e) *Transfer Free of Charge*

Transfer of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(f) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full) of that Note or (ii) during the period of seven calendar days ending on (and including) any Record Date.

(g) *Regulations Concerning Transfer and Registration*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed, including without limitation, that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee) to reflect changes in legal or regulatory requirements or in any other manner which, in the opinion of the Issuer (after consultation with the Trustee and subject to not less than 60 days' notice of any such change having been given to the Noteholders in accordance with Condition 16 (*Notices*)), is not prejudicial to the interests of the holders of the relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Transfer Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(h) *Forced Transfer of Rule 144A Notes*

If the Issuer determines at any time that a U.S. holder of Rule 144A Notes is not a QIB/QP (any such person, a "**Non-Permitted Noteholder**"), the Issuer may direct such holder to sell or 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 and meets the other requirements set forth in the Trust Deed within 30 days following receipt of such notice. If such holder fails to sell or transfer its Rule 144A Notes within such period, such holder may be required by the Issuer to sell such Rule 144A Notes to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with Section 9-610 of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value). Each Noteholder and each other person in the chain of title from the permitted Noteholder to the Non-Permitted Noteholder by its acceptance of an interest in the Rule 144A Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net

of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. None of the Issuer, the Trustee and the Registrar shall be liable to any person having an interest in the Notes sold as a result of any such transfer. The Issuer reserves the right to require any holder of Notes to submit a written certification substantiating that it is a QIB/QP or a non-U.S. Person. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is not a QIB/QP or a non-U.S. Person. Furthermore, the Issuer reserves the right to refuse to honour a transfer of beneficial interests in a Rule 144A Note to any Person who is not either a non-U.S. Person or a U.S. Person that is a QIB/QP.

(i) *Forced Transfer pursuant to ERISA*

If any Noteholder is determined by the Issuer to be a Noteholder who has made or is deemed to have made a prohibited transaction, Benefit Plan Investor, Controlling Person or Similar Law representation that is subsequently shown to be false or misleading, or whose beneficial ownership otherwise causes a violation of the 25 per cent. limitation set out in the Plan Asset Regulation (any such Noteholder a "**Non-Permitted ERISA Noteholder**"), the Issuer may direct such Non-Permitted ERISA Noteholder to sell or otherwise transfer its Notes to a person who is not a Non-Permitted ERISA Noteholder and who meets the other requirements set forth in the Trust Deed within 14 days following receipt of such notice. If such Non-Permitted ERISA Noteholder fails to sell or transfer its Notes within such period, the Issuer may cause such Notes to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with Section 9-610 of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value), subject to the transfer restrictions set out in the Trust Deed. Each Noteholder and each other Person in the chain of title from the Noteholder, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, to the extent required to effect such transfers. None of the Issuer, the Trustee and the Registrar shall be liable to any Noteholder having an interest in the Notes sold or otherwise transferred as a result of any such sale or transfer. The Issuer shall be entitled to deduct from the sale or transfer price an amount equal to all the expenses and costs incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted ERISA Noteholder will receive the balance, if any.

(j) *Forced Transfer pursuant to FATCA*

If any Noteholder is determined by the Issuer to be a Noteholder who (i) has failed to provide any information necessary in order to enable the Issuer to comply with its obligations under FATCA or (ii) otherwise prevents the Issuer from complying with FATCA (any such Noteholder, a "**Non-Permitted FATCA Noteholder**"), the Issuer may direct such Non-Permitted FATCA Noteholder to sell or otherwise transfer its Notes to a person who is not a Non-Permitted FATCA Noteholder and who meets the other requirements set forth in the Trust Deed within 30 days following receipt of such notice. If such Non-Permitted FATCA Noteholder fails to sell or transfer its Notes within such period, the Issuer may cause such Notes to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with Section 9-610 of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value), 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 (including, but not limited to withholding, expenses and costs pursuant to FATCA) incurred and any loss suffered by the Issuer as a result of such forced transfer. The Non-Permitted FATCA Noteholder will receive the balance, if any. For the avoidance of doubt, the Issuer shall have the right to sell a beneficial owner's interest in a Note in its entirety notwithstanding that the sale of a portion of such an interest would permit the Issuer to comply with FATCA.

(k) *Forced Transfer mechanics*

In order to effect the forced transfer provisions set out in Conditions 2(h) (*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*),

the Issuer may repay any affected Notes at par value and issue replacement Notes and the Issuer, the Trustee, the Agents and the Registrar shall work with the Clearing Systems to take such action as may be necessary to effect such repayment and issue of replacement Notes.

(l) *Registrar authorisation*

The Noteholders hereby authorise the Registrar and the Clearing Systems to take such actions as are necessary in order to effect the forced transfer provisions set out in Conditions 2(h)(*Forced Transfer of Rule 144A Notes*), 2(i) (*Forced Transfer pursuant to ERISA*) and 2(j) (*Forced Transfer pursuant to FATCA*) above without the need for any further express instruction from any affected Noteholder. The Noteholders shall be bound by any actions taken by the Registrar, the Clearing Systems or any other party taken pursuant to the above-named Conditions.

3. Status

(a) *Status*

The Notes of each Class constitute direct, general, secured, unconditional obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 4(c) (*Limited Recourse*). The Notes of each Class are secured in the manner described in Condition 4(a) (*Security*) and, within each Class, shall at all times rank *pari passu* and without any preference amongst themselves.

(b) *Relationship Among the Classes*

The Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on the Class A Notes will rank senior in right of payment to payments of interest in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes; payment of interest on the Class B Notes will be subordinated in right of payment to payments of interest in respect of the Class A 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 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 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 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 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. Payments of interest on the Class A-1 Notes and the Class A-2 Notes will rank pari passu in right of payment and payments of interest on the Class B-1 Notes and the Class B-2 Notes will rank pari passu in right of payment.

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. Other than in accordance with paragraph (R) of the Interest Priority of Payments, 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. Payments of principal on the Class A-1 Notes and the Class A-2 Notes will rank pari passu in right of payment and the Class B-1 Notes and the Class B-2 Notes will rank pari passu in right of payment. The Subordinated Notes will be entitled to receive, out of Principal Proceeds, the amounts described under the Principal Priority of Payments. 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. Notwithstanding the foregoing paragraphs of this Condition 3(b) (*Relationship Among the Classes*), notwithstanding that

other Classes of Notes ranking higher than the Class E Notes remain Outstanding, if the Class E Coverage Tests are not satisfied on any Determination Date on or after the Effective Date or, in the case of the Class E Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, then on the Payment Date following such Determination Date Interest Proceeds will be used, subject to the Interest Priority of Payments and to the extent necessary and available, to redeem the Class E Notes until the Class E Coverage Tests are satisfied if recalculated immediately following such redemption.

(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 and Administration Agreement on each Determination Date), on behalf of the Issuer on each Payment Date (i) prior to acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) (in which event the Post-Acceleration Priority of Payments shall apply); (ii) following delivery of an Acceleration Notice which has subsequently been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*); and (iii) other than in connection with an optional redemption in whole under Condition 7(b) (*Optional Redemption*) or in accordance with Condition 7(g) (*Redemption Following Note Tax Event*) (in which event the Post-Acceleration Priority of Payments shall apply), cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account, in each case, in accordance with the following Priorities of 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 (other than Dutch corporate income tax in relation to the amounts equal to the Issuer Profit Amount referred to in (ii) below), as certified by an Authorised Officer of the Issuer to the Collateral Administrator, if any, (save for any value added tax payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and (ii) secondly the Issuer Profit Amount, for deposit into the Issuer Dutch 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;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above

(D) to the Expense Reserve Account, at the Collateral Manager's discretion, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) any amounts paid pursuant to paragraph (B) and (C) above and (ii) any amounts paid out of the Expense Reserve Account in respect of the related Due Period;

(E) to the payment:

(1) *firstly*, to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Senior Collateral Management Amounts), provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (E) (any such amounts pursuant to (y) or (z) being "**Deferred Senior Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (y) shall (i)

be used to purchase additional Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (F) through (V) and (X) through (AA) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior Management Fees (other than Deferred Senior Collateral Management Amounts) and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority);

(F) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments (to the extent not paid out of the Currency Account or the Interest Account), (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(G) 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;

(H) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and all other Interest Amounts due and payable on such Class B Notes;

(I) if either of the Class A/B Coverage Tests are 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 or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class A/B Coverage Test to be met if recalculated immediately following such redemption;

(J) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(L) if either of the Class C Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class C Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class C Coverage Test to be met if recalculated immediately following such redemption;

(M) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date (excluding any Deferred Interest but including interest on Deferred Interest in respect of the relevant Accrual Period);

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(O) if either of the Class D Coverage Tests are not satisfied on any Determination Date on and after the Effective Date or, in the case of the Class D Interest Coverage Test, on the Determination Date preceding the second Payment Date or any Determination Date thereafter, to the redemption of the Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class D Coverage Test to be met if recalculated immediately following such redemption;

(P) to the payment on a *pro rata* 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);

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(R) 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 or any Determination Date thereafter, to the redemption on a *pro rata* basis of the Class E Notes to the extent necessary to cause each Class E Coverage Test to be met if recalculated immediately following such redemption;

(S) 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 Rated Notes in full in accordance with the Note Payment Sequence or, if earlier, until an Effective Date Rating Event is no longer continuing;

(T) if, on any Payment Date during the Reinvestment Period, after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) (inclusive) above, the Reinvestment Overcollateralisation Test has not been met, to the payment to the Principal Account as Principal Proceeds, to be applied for the purpose of the acquisition of additional Collateral Obligations 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 (S) (inclusive) above, would be sufficient to cause the Reinvestment Overcollateralisation Test to be met;

(U) to the payment of Trustee Fees and Expenses (if any) not paid by reason of the Senior Expenses Cap;

(V) to the payment of Administrative Expenses (if any) not paid by reason of the Senior Expenses Cap, in relation to each item thereof in the order of priority stated in the definition thereof;

(W) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) (save for any Deferred Subordinated Collateral Management Amounts) until such amount has been paid in full, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive, (y) designate for reinvestment or (z) defer payment of some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (W) (any such amounts pursuant to (y) or (z) being "**Deferred Subordinated Collateral Management Amounts**") on any Payment Date, provided that any such amount in the case of (y) shall (i) be used to purchase additional Collateral Obligations or (ii) be deposited in

the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x) or (z), shall be applied to the payment of amounts in accordance with paragraphs (X) through (AA) below, subject to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than Deferred 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 (in its sole discretion) to the Collateral Manager in payment of any Deferred Senior Collateral Management Amounts and Deferred Subordinated Collateral Management Amounts;

(X) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to a Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account);

(Y) during the Reinvestment Period at the direction and in the discretion of the Collateral Manager, to transfer to the Supplemental Reserve Account any Supplemental Reserve Amount;

(Z) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (AA) below and paragraph (S) of the Principal Priority of Payments), to the payment to the Collateral Manager of up to 10 per cent. of any remaining Interest Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) as an Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (Z) on any Payment Date and apply such amount to (in the case of (y)) (i) be used to purchase additional Collateral Obligations and/or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (AA) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(AA) any remaining Interest Proceeds to the payment of interest on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, any Collateral Management Fees which are deferred, waived or designated for reinvestment pursuant to paragraphs (E)(1), (W)(1) or (Z) above shall not be treated as due and payable pursuant to paragraphs (E)(1), (E)(2), (W)(1), (W)(2) or (Z) above.

(ii) *Application of Principal Proceeds*

Principal Proceeds in respect of a Due Period shall be paid on the Payment Date immediately following such Due Period in the following order of priority:

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(B) to the payment of the amounts referred to in paragraph (I) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class A/B Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes and the Class B Notes to be met if recalculated immediately following such redemption;

(C) to the payment of the amounts referred to in paragraph (J) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that such payment would not cause a breach of the Class A/B Par Value Test;

(D) to the payment of the amounts referred to in paragraph (K) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class C Notes are the Controlling Class;

(E) to the payment of the amounts referred to in paragraph (L) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class C Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met if recalculated immediately following such redemption;

(F) to the payment of the amounts referred to in paragraph (M) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that such payment would not cause a breach of the Class C Par Value Test;

(G) to the payment of the amounts referred to in paragraph (N) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that the Class D Notes are the Controlling Class;

(H) to the payment of the amounts referred to in paragraph (O) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent necessary to cause the Class D Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met if recalculated immediately following such redemption;

(I) to the payment of the amounts referred to in paragraph (P) of the Interest Priority of Payments but only to the extent not paid in full thereunder and only to the extent that such payment would not cause a breach of the Class D Par Value Test;

(J) to the payment of the amounts referred to in paragraph (Q) of the Interest Priority of Payments but only to the extent not paid in full thereunder and to the extent that the Class E Notes are the Controlling Class;

(K) 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 or any Determination Date thereafter, to the redemption of the Rated Notes in accordance with the Note Payment Sequence to the extent necessary to cause each Class E Coverage Test to be met if recalculated immediately following such redemption;

(L) to the payment of the amounts referred to in paragraph (S) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(M) if such Payment Date is a Redemption Date in respect of which the Notes are being redeemed in full (other than a Special Redemption Date or after the Reinvestment Period has ended), to redeem the Notes in accordance with the Note Payment Sequence and, if applicable, in payment of any Refinancing Costs;

(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)

(1) during the Reinvestment Period, at the discretion of the Collateral Manager, either to the purchase of additional Collateral Obligations or Substitute Collateral Obligations or to the Principal Account pending reinvestment in additional Collateral Obligations or Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(2) after the Reinvestment Period in the case of Principal Proceeds representing Unscheduled Principal Proceeds and Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations at the discretion of the Collateral Manager, either to the purchase of additional Collateral Obligations or Substitute Collateral Obligations or to the Principal Account pending reinvestment in additional Collateral Obligations or Substitute Collateral Obligations at a later date in each case in accordance with the Collateral Management and Administration Agreement;

(P) after the Reinvestment Period, to redeem the Notes in accordance with the Note Payment Sequence;

(Q) after the Reinvestment Period, to the payment on a sequential basis of the amounts referred to in paragraphs (U) through (X) (inclusive) of the Interest Priority of Payments, but only to the extent not paid in full thereunder;

(R) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (S) below and paragraph (AA) of the Interest Priority of Payments) to the payment to the Collateral Manager of 10 per cent. of any remaining Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) in payment of an Incentive Collateral Management Fee, provided however that the Collateral Manager may, in its sole discretion, elect to (x) irrevocably waive or (y) designate for reinvestment some or all of the amounts that would have been payable to the Collateral Manager under this paragraph (R) on any Payment Date and apply such amount to (in the case of (y)) (i) be used to purchase additional Collateral Obligations or (ii) be deposited in the Principal Account pending reinvestment in additional Collateral Obligations or, in the case of (x), shall be applied to the payment of amounts in accordance with paragraph (S) below, subject in each case to the Collateral Manager having notified the Collateral Administrator in writing not later than one Business Day prior to the relevant Determination Date of any amounts to be so applied; and

(S) any remaining Principal Proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

For the avoidance of doubt, any Incentive Collateral Management Fees which are waived or designated for reinvestment pursuant to paragraph (R) above shall not be treated as due and payable pursuant to such paragraph.

(d) *Non payment of Amounts*

Failure on the part of the Issuer to pay the Interest Amounts on any Class of 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 an 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 as described in Condition 10(a)(i)) and (ii) in the case of non-payment of interest due and payable on (A) the Class E Notes, the Class A Notes, the Class B Notes, Class C Notes and the Class D Notes have been redeemed in full, (B) the Class D Notes, the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full, and (C) the Class C Notes, the Class A Notes and Class B Notes have been redeemed in full, save in each case as the result of any deduction therefrom or the imposition of withholding thereon as set forth in Condition 9 (*Taxation*).

Failure on the part of the Issuer to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date shall be an Event of Default provided that, in the case of a failure to disburse due to an administrative error or omission by the Collateral Administrator or the Principal Paying Agent, such failure continues for a period of at least five Business Days after the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default.

Subject always, in the case of Interest Amounts payable in respect of the Class C Notes, Class D Notes and Class E 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 Priority of Payments or the Principal Priority of Payments on any Payment Date, such amounts shall remain due and shall be payable on each subsequent Payment Date in the orders of priority provided for in this Condition 3 (*Status*). References to the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments of this Condition 3 (*Status*) shall include any amounts thereof not paid when due and still outstanding 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, as of 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 and the Supplemental Reserve Account (together with, to the extent applicable, amounts standing to the credit of any other Account) to the extent required to pay the amounts referred to in the Interest Priority of Payments and the Principal Priority of Payments which are payable on such Payment Date, to be transferred to the Payment Account in accordance with Condition 3(j) (*Payments to and from the Accounts*).

(f) *De Minimis Amounts*

The Collateral Administrator may, in consultation with the Collateral Manager, adjust the amounts required to be applied in payment of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes and the Subordinated Notes from time to time pursuant to the Priorities of Payments so that the amount to be so applied in respect of each Class A Note, Class B Note, Class C Note, Class D Note, Class E Note and the Subordinated Notes is a whole amount, not involving any fraction of a 0.01 Euro or, at the discretion of the Collateral Administrator, part of a Euro.

(g) *Publication of Amounts*

The Collateral Administrator on behalf of the Issuer will cause details of the amounts of interest and principal to be paid, and any amounts of interest payable but not paid, on each Payment Date in respect of the Notes to be notified at the expense of the Issuer to the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Irish Stock Exchange by no later than 11.00 am (London time) on the Business Day prior to the applicable Payment Date in the Payment Date Report.

(h) *Notifications to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained or discretions exercised for the purposes of the provisions of this Condition 3 (*Status*) will (in the absence of manifest error) be binding on the Issuer, the Collateral Administrator, the Collateral Manager, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders shall attach to the Collateral Administrator in connection with the exercise or non exercise by it of its powers, duties and discretions under this Condition 3 (*Status*).

(i) *Accounts*

The Issuer shall, on or prior to the Issue Date, establish the following accounts with the Account Bank or (as the case may be) with the Custodian:

- the Principal Account;
- the Interest Account;
- the Unused Proceeds Account;
- the Payment Account;
- the Supplemental Reserve Account;
- the Expense Reserve Account;
- the Currency Accounts;
- the Custody Account;
- the Collection Account;
- the Counterparty Downgrade Collateral Account(s); and
- the Hedge Termination Account(s).

The Account Bank and the Custodian shall at all times be a financial institution satisfying the Rating Requirement applicable thereto, which is not resident or which is acting through an office which is not situated, in The Netherlands but which has the necessary regulatory capacity and licences to perform the services required by it in The Netherlands. If the Account Bank at any time fails to satisfy the Rating Requirement, the Issuer shall use reasonable endeavours to procure that a replacement Account Bank acceptable to the Trustee, which satisfies the Rating Requirement, is appointed in accordance with the provisions of the Agency and Account Bank Agreement.

Amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Collection Account and the Payment Account) from time to time may be invested by the Collateral Manager on behalf of the Issuer in Eligible Investments.

All interest accrued on any of the Accounts (other than any Counterparty Downgrade Collateral Accounts) from time to time shall be paid into the Interest Account, save to the extent that the Issuer is

contractually bound to pay such amounts to a third party. All principal amounts received in respect of Eligible Investments standing to the credit of any Account from time to time shall be credited to that Account upon maturity, save to the extent that the Issuer is contractually bound to pay such amounts to a third party. All interest accrued on such Eligible Investments (including capitalised interest received upon the sale, maturity or termination of any such investment) shall be paid to the Interest Account as, and to the extent provided, above.

To the extent that any amounts required to be paid into any Account pursuant to the provisions of this Condition 3 (*Status*) are denominated in a currency other than Euro, the Collateral Manager, acting on behalf of the Issuer, shall (other than in the case of any Counterparty Downgrade Collateral Accounts and the Currency Accounts) convert such amounts into the currency of the Account at the Spot Rate as determined by the Collateral Administrator at the direction of the Collateral Manager.

Notwithstanding any other provisions of this Condition 3(i) (*Accounts*), all amounts standing to the credit of each of the Accounts (other than (i) the Interest Account, (ii) the Payment Account, (iii) the Expense Reserve Account, (iv) the Supplemental Reserve Account, (v) all interest accrued on the Accounts, (vi) the Currency Account and (vii) the Counterparty Downgrade Collateral Accounts) shall be transferred to the Payment Account and shall constitute Principal Proceeds on the Business Day prior to any redemption of the Notes in full, and all amounts standing to the credit of each of the Interest Account, the Expense Reserve Account, the Supplemental Reserve Account, the Currency Account and to the extent not required to be repaid to any Hedge Counterparty, the relevant Counterparty Downgrade Collateral Account shall be transferred to the Payment Account as Interest Proceeds on the Business Day prior to any redemption of the Notes in full.

Following the end of the Reinvestment Period, the Issuer (or the Collateral Manager acting on its behalf) may open additional ledgers in the Principal Account to separate payments of Scheduled Principal Proceeds and Unscheduled Principal Proceeds.

(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, but in each case excluding any Trading Gains which are paid or payable into the Interest Account in accordance with Condition 3(j)(ii)(L) (*Interest Account*) below:

(A) all principal payments received in respect of any Collateral Obligation including, without limitation:

(1) Scheduled Principal Proceeds;

(2) amounts received in respect of any maturity, scheduled amortisation, mandatory prepayment or mandatory sinking fund payment on a Collateral Obligation;

(3) Unscheduled Principal Proceeds; and

(4) any other principal payments with respect to Collateral Obligations (to the extent not included in the Sale Proceeds);

but excluding (i) principal proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any such payments received in respect of any Hedge Replacement Receipts or Hedge Counterparty Termination Payments to the extent required to be paid into the Hedge Termination Account;

(B) all interest and other amounts received in respect of any Defaulted Obligation or any Mezzanine Obligation for so long as it is a Defaulted Obligation or a Defaulted Deferring Mezzanine Obligation (as applicable) (save for Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts);

(C) all premiums (including prepayment premiums) receivable upon redemption of any Collateral Obligation at maturity or otherwise or upon exercise of any put or call option in respect thereof which is above the outstanding principal amount of any Collateral Obligation;

(D) all fees and commissions (including syndication fees) received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations as determined by the Collateral Manager in its reasonable discretion;

(E) all Sale Proceeds received in respect of a Collateral Obligation;

(F) all Distributions and Sale Proceeds received in respect of Exchanged Equity Securities;

(G) all Collateral Enhancement Obligation Proceeds;

(H) all Purchased Accrued Interest;

(I) amounts transferred to the Principal Account from any other Account as required below;

(J) any other amounts received in respect of the Collateral which are not required to be paid into another Account;

(K) all amounts transferred from the Counterparty Downgrade Collateral Accounts to the Principal Account in accordance with Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) below;

(L) all amounts transferred from the Supplemental Reserve Account in accordance with Condition 3(j)(vi) (*Supplemental Reserve Account*) below;

(M) all amounts payable into the Principal Account pursuant to paragraph (T) of the Interest Priority of Payments upon the failure to meet the Reinvestment Overcollateralisation Test during the Reinvestment Period;

(N) all principal payments and Purchased Accrued Interest received in respect of any asset which did not satisfy the Eligibility Criteria on the date it was required to do so and which have not been sold by the Collateral Manager in accordance with the Collateral Management and Administration Agreement;

(O) all amounts transferred to the Principal Account from the Currency Account pursuant to paragraph (B) of Condition 3(j)(viii) (*Currency Account*) following exchange of such amounts into Euros (to the extent not already in Euros) by the Issuer following consultation with the Collateral Manager; and

(P) 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*).

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:

(1) on the Business Day prior to each Payment Date, all Principal Proceeds standing to the credit of the Principal Account to the Payment Account to the extent required for disbursement pursuant to the Principal Priority of Payments, save for: (a) amounts deposited after the end of the related Due Period; and (b) any Principal Proceeds deposited prior to the end of the related Due Period to the extent such Principal Proceeds are permitted to be and have been designated for reinvestment by the Collateral Manager (on

behalf of the Issuer) pursuant to the Collateral Management and Administration Agreement for a period beyond such Payment Date, provided that (i) if the Coverage Tests are not satisfied, Principal Proceeds from Defaulted Obligations may not be designated for reinvestment by the Collateral Manager (on behalf of the Issuer) unless the Coverage Tests will be satisfied immediately following such reinvestment and, if not so designated prior to the following Payment Date, shall be disbursed pursuant to the Principal Priority of Payments on such 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 Priority of Payments on such Payment Date;

(2) at any time at the discretion of the Collateral Manager, acting on behalf of the Issuer, in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations (including any payments to a Currency Hedge Counterparty in respect of initial principal exchange amounts pursuant to any Currency Hedge Transaction entered into in respect thereof and including to the extent that any such acquisition costs represent accrued interest and/or transfer fees, subject to the Collateral Manager's discretion to use Interest Proceeds or Principal Proceeds for the purposes of such acquisition); and

(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 and Administration Agreement, in payment of the purchase price of any Notes purchased by the Issuer in accordance with Condition 7(k) (*Purchase*).

(ii) *Interest Account*

The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(A) all cash payments of interest in respect of the Collateral Obligations other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty but excluding (i) interest proceeds on any Non-Euro Obligation to the extent required to be paid into the Currency Account and (ii) any interest received in respect of any Defaulted Obligations and Mezzanine Obligation for so long as it is a Defaulted Obligation or Defaulted Deferring Mezzanine Obligation (as applicable) other than Defaulted Obligation Excess Amounts and Defaulted Mezzanine Excess Amounts (as applicable);

(B) all interest accrued on the Balance standing to the credit of the Interest Account from time to time and all interest accrued in respect of the Balances standing to the credit of the other Accounts other than the Counterparty Downgrade Collateral Account and the Payment 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 Obligations and Eligible Investments (other than fees and commissions received in connection with the purchase or sale of any Collateral Obligations or Eligible Investments or work out or restructuring of any Defaulted Obligations or Collateral Obligations which fees and commissions shall be payable into the Principal Account and shall constitute Principal Proceeds);

(D) all accrued interest included in the proceeds of sale of any other Collateral Obligation that are designated by the Collateral Manager as Interest Proceeds pursuant to the

Collateral Management and Administration Agreement (provided that no such designation may be made in respect of (i) any Purchased Accrued Interest, (ii)(1) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts or (2) a Defaulted Obligation save for Defaulted Obligation Excess Amounts);

(E) all amounts representing the element of deferred interest (other than Purchased Accrued Interest) in any payments received in respect of any Mezzanine Obligation which is not a Defaulted Deferring Mezzanine Obligation and which by its contractual terms provides for the deferral of interest;

(F) amounts transferred to the Interest Account from the Unused Proceeds Account in the circumstances described under Condition 3(j)(iii) (*Unused Proceeds Account*) below;

(G) all amounts transferred from the Supplemental Reserve Account under Condition 3(j)(vi) (*Supplemental Reserve Account*) ;

(H) all amounts transferred from the Expense Reserve Account Condition 3(j)(ix) (*Expense Reserve Account*);

(I) all Scheduled Periodic Hedge Counterparty Payments received by the Issuer under any Hedge Transaction excluding any Scheduled Principal Proceeds, or Hedge Replacement Receipts;

(J) all cash payments of interest in respect of any asset which did not satisfy the Eligibility Criteria on the date it was required to do so and that have not been sold by the Collateral Manager, other than any Purchased Accrued Interest, together with all amounts received by the Issuer by way of gross up in respect of such interest and in respect of a claim under any applicable double taxation treaty in accordance with the Collateral Management and Administration Agreement;

(K) any amounts relating to a Hedge Issuer Tax Credit Payment received by the Issuer from the tax authorities of any jurisdiction; and

(L) any Trading Gains realised in respect of any Collateral Debt Obligation that the Collateral Manager determines shall be paid into the Interest Account in accordance with the following provisions:

(1) if (after giving effect to the transfer of such Trading Gains to the Interest Account):

(a) each Par Value Ratio is greater than the level of such Par Value Ratio as at the Effective Date;

(b) not more than 7.5 per cent. of the Collateral Principal Amount consists of obligations which are:

(i) if the amount determined pursuant to paragraph (a) of the definition of CCC Excess is equal to or greater than the amount determined pursuant to paragraph (b) of the definition of CCC Excess, S&P CCC Obligations; or

(ii) if the amount determined pursuant to paragraph (a) of the definition of CCC Excess is less than the amount determined pursuant to paragraph (b) of the definition of CCC Excess, Fitch CCC Obligations;

(c) the Aggregate Collateral Balance (for which purposes the Principal Balance of each Defaulted Obligation shall be the lesser of its S&P

Collateral Value and its Fitch Collateral Value) is greater than or equal to the Reinvestment Target Par Amount; and

(d) the Aggregate Collateral Balance determined for the purposes of compliance by the Collateral Manager with the Retention Requirements is less than or equal to the Maximum Par Amount,

then the Collateral Manager may, in its discretion, determine that such Trading Gains (or a portion thereof) shall be paid into the Interest Account upon receipt; and

(2) if the Aggregate Collateral Balance determined for the purposes of compliance by the Collateral Manager with the Retention Requirements is (or would be, if the applicable Trading Gains were paid into the Principal Account) greater than the Maximum Par Amount, then such Trading Gains (or the necessary portion thereof to ensure that the Aggregate Collateral Balance is no greater than the Maximum Par Amount) must be paid into the Interest Account upon receipt.

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Interest Account:

(1) on the Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Priority of Payments save for amounts deposited after the end of the related Due Period or any amounts representing any Hedge Issuer Tax Credit Payments to be disbursed pursuant to (3) below;

(2) at any time in accordance with the terms of, and to the extent permitted under, the Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations to the extent that any such acquisition costs represent accrued interest and/or transfer fees, subject to the Collateral Manager's discretion to use Interest Proceeds or Principal Proceeds for the purposes of such acquisition; and

(3) any Scheduled Periodic Interest Rate Hedge Issuer Payments and any Hedge Issuer Tax Credit Payments.

(iii) *Unused Proceeds Account*

The Issuer will procure that the following amounts are transferred from the Collection Account to the Unused Proceeds Account:

(A) On or about the Issue Date, EUR 300,286,285; and

(B) An amount equal to the net proceeds of issue of the Notes remaining after the payment of all other amounts pursuant to Condition 3(j)(x)(1) (*Collection Account*) below.

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 purchase price for certain Collateral Obligations including pursuant to the Forward Purchase Agreement;

(2) at any time up to and including the last day of the Initial Investment Period, in accordance with the terms of, and to the extent permitted under, the

Collateral Management and Administration Agreement, in the acquisition of Collateral Obligations;

(3) in the event of the occurrence of an Effective Date Rating Event, the Balance standing to the credit of the Unused Proceeds Account, on the Business Day prior to the Payment Date falling immediately after the Effective Date, to the extent required to cause such Effective Date Rating Event to no longer be continuing, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments; 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) Rating Agency Confirmation has been received following delivery of the Effective Date Report; and (ii) no more than 1 per cent. of the Collateral Principal Amount may be transferred to the Interest Account.

(iv) *Payment Account*

The Collateral Administrator on behalf of 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 Counterparty Downgrade Collateral Account in respect of each Hedge Counterparty and such Hedge Agreement and that all interest accrued on the Balance standing to the credit of a Counterparty Downgrade Collateral Account shall be deposited into such Counterparty Downgrade Collateral Account. The Issuer will procure the payment of the following amounts out of a Counterparty Downgrade Collateral Account (and shall ensure that no other payments are made, save to the extent otherwise permitted):

(1) prior to the occurrence or designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" (as defined in such Hedge Agreement) entered into under such Hedge Agreement pursuant to which all such "Transactions" under such Hedge Agreement are terminated early, solely in or towards payment or transfer of:

(a) any "Return Amounts" (if applicable and as defined in such Hedge Agreement or the Credit Support Annex thereto);

(b) any "Interest Amounts" and "Distributions" (if applicable and each as defined in such Hedge Agreement or the Credit Support Annex thereto); and

(c) any other return or transfer of collateral or other payment amounts in the nature of interest or distributions in respect of collateral in accordance with the terms of such Hedge Agreement (including without limitation in connection with any permitted novation or other transfer of the Hedge Counterparty's obligations in respect of all "Transactions" thereunder),

directly to the Hedge Counterparty in accordance with the terms of such Hedge Agreement (including, if applicable, the Credit Support Annex thereto);

(2) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is a Defaulting Hedge Counterparty and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(a) first, in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(b) second, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(c) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account;

(3) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early where (A) the relevant Hedge Counterparty is not a Defaulting Hedge Counterparty and (B) the Issuer enters into one or more Replacement Hedge Agreements or any novation of the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(a) first, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account);

(b) second in or towards payment of any Hedge Replacement Payments in respect of Replacement Hedge Transactions relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(c) third, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account,

(4) following the designation of an "Early Termination Date" (as defined in the relevant Hedge Agreement) in respect of all "Transactions" under and as defined in the relevant Hedge Agreement pursuant to which all "Transactions" under such Hedge Agreement are terminated early and if the Issuer, or the Collateral Manager on its behalf, determines not to replace such terminated "Transactions" and Rating Agency Confirmation is received in respect of such determination or termination of such "Transactions" occurs on a Redemption Date or if for any reason the Issuer is unable to enter into one or more Replacement Hedge Agreements or to novate the relevant Hedge Counterparty's obligations to a replacement Hedge Counterparty, in the following order of priority:

(a) *first*, in or towards payment of any Hedge Issuer Termination Payments relating to such terminated "Transactions" (to the extent not funded from the relevant Hedge Termination Account); and

(b) *second*, the surplus amount standing to the credit of such Counterparty Downgrade Collateral Account (if any) to the Principal Account.

The funds or securities credited to the Counterparty Downgrade Collateral Account and any interest or distributions thereon or liquidation proceeds thereof are held separate from and do not form part of Principal Proceeds or of the Interest Proceeds and accordingly, are not available to fund general distributions of the Issuer. The amounts standing to the credit of the applicable Counterparty Downgrade Collateral Account shall not be commingled with any other funds from any party.

(vi) *Supplemental Reserve Account*

The Issuer will procure that, on each Payment Date, each Supplemental Reserve Amount in respect of such Payment Date shall be deposited into the Supplemental Reserve Account. The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Supplemental Reserve Account:

(1) at any time, to the Principal Account for either (x) during the Reinvestment Period to reinvest in Substitute Collateral Obligations or invest in additional Collateral Obligations or (y) otherwise for distribution on the next following Payment Date in accordance with the Priorities of Payments;

(2) 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;

(3) at any time, in the acquisition of, or in respect of any exercise of any option or warrant comprised in, Collateral Enhancement Obligations, in accordance with the terms of the Collateral Management and Administration Agreement;

(4) 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*);

(5) in the event of 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 cause such Effective Date Rating Event to no longer be continuing, to the Payment Account for application as Principal Proceeds in accordance with the Priorities of Payments; and

(6) at the discretion of the Collateral Manager, some or all of the Balance standing to the credit of the Supplemental Reserve Account to the Interest Account or Payment Account for distribution on the next Payment Date in accordance with the applicable Priorities of Payments; and

(7) upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*), the Balance standing to the credit of the Supplemental Reserve Account to the Interest Account or Payment Account for distribution in accordance with the applicable Priorities of Payments.

(vii) *Hedge Termination Account*

The Issuer will procure that all Hedge Counterparty Termination Payments and Hedge Replacement Receipts are paid into the appropriate Hedge Termination Account promptly upon receipt thereof.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made save to the extent otherwise permitted) out of the relevant Hedge Termination Account in payment as provided below:

(A) at any time, in the case of any Hedge Replacement Receipts paid into the relevant Hedge Termination Account, in payment of any Interest Rate Hedge Issuer Termination Payment or Currency Hedge Issuer Termination Payment, as applicable,

due and payable to a Hedge Counterparty under the Hedge Transaction being replaced or to the extent not required to make such payment, in payment of such amount to the Principal Account;

(B) at any time, in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in payment of any Hedge Replacement Payment and any other amounts payable by the Issuer upon entry into a Replacement Hedge Transaction in accordance with the Collateral Management and Administration Agreement; and

(C) in the case of any Hedge Counterparty Termination Payments paid into the relevant Hedge Termination Account, in the event that:

(1) the Issuer, or the Collateral Manager on its behalf, determines not to replace the Hedge Transaction (or part thereof) and Rating Agency Confirmation is received in respect of such determination (other than where such determination is made in connection with a Currency Hedge Transaction which has been terminated (in whole or in part) solely as a result of the sale or prepayment or redemption or repayment of the relevant Non-Euro Obligation); or

(2) termination of the Hedge Transaction (in whole or in part) under which such Hedge Counterparty Termination Payments are payable occurs on a Redemption Date; or

(3) to the extent that such Hedge Counterparty Termination Payments are not required for application towards costs of entry into a Replacement Hedge Transaction,

in payment of such amounts (save for accrued interest thereon) to the Principal Account.

(viii) *Currency Accounts*

The Issuer will procure that all amounts received in respect of any Non-Euro Obligations (including Sale Proceeds, but excluding Currency Hedge Replacement Receipts and Hedge Counterparty Termination Payments) are paid into the appropriate Currency Account in the currency of receipt thereof. A separate Currency Account will be established in respect of each applicable currency.

The Issuer will procure payment of the following amounts (and shall ensure that payment of no other amount is made) out of the Currency Account:

(A) at any time, all amounts payable by the Issuer to the Currency Hedge Counterparty under any Currency Hedge Transaction save for Currency Hedge Issuer Termination Payments and Hedge Replacement Payments; and

(B) cash amounts representing any excess standing to the credit of the Currency Account after paying, or providing for the payment, of any amounts to be paid to any Currency Hedge Counterparty pursuant to paragraph (A) above shall be converted into Euro at the Spot Rate by the Issuer following consultation with the Collateral Manager and transferred to the Interest Account, if the Collateral Manager reasonably determines such amounts are in the nature of interest, or otherwise, to the Principal Account.

(ix) *Expense Reserve Account*

The Issuer shall procure that the following amounts are paid into the Expense Reserve Account:

(A) after the Issue Date but prior to the first Payment Date, an amount transferred from the Collection Account for the payment of amounts due or accrued in connection with the issue of the Notes, in accordance with (1) and (3) below; and

(B) any amount applied in payment into the Expense Reserve Account pursuant to paragraph (D) of the Interest Priority of Payments.

The Issuer shall procure payment of the following amounts (and shall procure that no other amounts are paid) out of the Expense Reserve Account:

(1) amounts due or accrued with respect to actions taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents;

(2) amounts standing to the credit of the Expense Reserve Account on or after the Determination Date immediately preceding the first Payment Date may be transferred to the Payment Account for disbursement pursuant to the Interest Priority of Payments; and

(3) at any time, the amount of, firstly, any Trustee Fees and Expenses, 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.

(x) *Collection Account*

The Issuer will procure that the following amounts are credited to the Collection Account:

(A) on the Issue Date, the net proceeds of issue of the Notes; and

(B) all amounts received in respect of any Collateral (other than as otherwise provided in Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*).

The Issuer shall procure payment of the following amounts (and shall ensure that payment of no other amount is made, save to the extent otherwise permitted above) out of the Collection Account:

(1) on or after the Issue Date but prior to the first Payment Date:

(a) in transfer to the Unused Proceeds Account on or about the Issue Date of EUR 300,286,285;

(b) in payment of amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes, the entry into the Transaction Documents; and

(c) to the transfer to the Expenses Reserve Account in an amount determined by the Collateral Manager for the purposes of making payment of (i) amounts due or accrued with respect to action taken on or in connection with the Issue Date with respect to the issue of Notes and the entry into the Transaction Documents and (ii) Trustee Fees and Expenses and Administrative Expenses. ; and

(2) subject to the prior payment of all amounts pursuant to Condition 3(j)(x)(1) above and only once the transfer pursuant to Condition 3(j)(x)(1)(c) above has been effected, in transfer to the other Accounts as required in accordance with Condition 3(i) (*Accounts*) and Condition 3(j) (*Payments to and from the Accounts*) on a daily

basis, such that the balance standing to the credit of the Collection Account at the end of each Business Day is zero.

4. Security

(a) *Security*

Pursuant to the Trust Deed, the obligations of the Issuer under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and the Subscription Agreement (together with the obligations owed by the Issuer to the other Secured Parties) are secured in favour of the Trustee for the benefit of the Secured Parties by:

(i) an assignment by way of security of all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts and any other investments, in each case held by the Issuer from time to time (where such rights are contractual rights (other than contractual rights the assignment of which would require the consent of a third party or the entry into an agreement or deed) and where such contractual rights arise other than under securities), including, without limitation, moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(ii) a first fixed charge and first priority security interest granted over all the Issuer's present and future rights, title and interest (and all entitlements or other benefits relating thereto) in respect of all Collateral Obligations, Exchanged Equity Securities, Collateral Enhancement Obligations, Eligible Investments standing to the credit of each of the Accounts and any other investments, in each case held by the Issuer (where such assets are securities or contractual rights not assigned by way of security pursuant to paragraph (i) above and which are capable of being the subject of a first fixed charge and first priority security interest), including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof;

(iii) a first fixed charge over all present and future rights of the Issuer in respect of each of the Accounts (other than the Counterparty Downgrade Collateral Accounts) and all moneys from time to time standing to the credit of such Accounts and the debts represented thereby and including, without limitation, all interest accrued and other moneys received in respect thereof;

(iv) a first fixed charge and first priority security interest (where the applicable assets are securities) over, or an assignment by way of security (where the applicable rights are contractual obligations) of, all present and future rights of the Issuer in respect of any Counterparty Downgrade Collateral standing to the credit of the relevant Counterparty Downgrade Collateral Account, including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, repayment and redemption thereof and over the relevant Counterparty Downgrade Collateral Account and all moneys from time to time standing to the credit of the relevant Counterparty Downgrade Collateral Account and the debts represented thereby, subject, in each case, to the rights of any Hedge Counterparty to Counterparty Downgrade Collateral pursuant to the terms of the relevant Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*) and any first priority security interest granted by the Issuer to any Hedge Counterparty;

(v) an assignment by way of security of all the Issuer's present and future rights against the Custodian under the Agency and Account Bank Agreement (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 Currency Hedge Agreement and each Interest Rate Hedge Agreement and each Currency Hedge Transaction and Interest Rate Hedge Transaction entered into thereunder (including the Issuer's rights under any guarantee or credit support annex entered into pursuant to any Currency Hedge Agreement or Interest Rate Hedge Agreement, provided that such assignment by way of security is without prejudice to, and after giving effect to, any contractual netting or set-off provision contained in the relevant Hedge Agreement and shall not in any way restrict the release of collateral granted thereunder in whole or in part at any time pursuant to the terms thereof);

(vii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Agent for payment of principal, interest or other amounts on the Notes (if any);

(viii) an assignment by way of security over all the Issuer's present and future rights under the Collateral Management and Administration Agreement, the Agency and Account Bank Agreement, the Subscription Agreement, each Collateral Acquisition Agreement and all sums derived therefrom; and

(ix) a floating charge over the whole of the Issuer's undertaking and assets to the extent that such undertaking and assets are not subject to any other security created pursuant to the Trust Deed,

excluding for the purpose of (i) to (ix) above, (A) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands (except for contractual rights or receivables (*rechten of vorderingen op naam*)) which are assigned or charged to the Trustee pursuant to (i) to (ix) above), (B) any and all Dutch Ineligible Securities; (C) the Issuer's rights under the Issuer Management Agreements; and (D) the Issuer’s rights in respect of amounts standing to the credit of the Issuer Dutch Account.

The security created pursuant to paragraphs (i) to (ix) above is granted to the Trustee for itself and as trustee for the Secured Parties as continuing security for the payment of the Secured Obligations provided that the security granted by the Issuer over any collateral provided to the Issuer pursuant to a Hedge Agreement will only be available to the Secured Parties (other than with respect to the collateral provided to the relevant Hedge Counterparty pursuant to such Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) when such collateral is expressed to be available to the Issuer and (if a title transfer arrangement) to the extent that no equivalent amount is owed to the Hedge Counterparty pursuant to the relevant Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*). The security will extend to the ultimate balance of all sums payable by the Issuer in respect of the above, regardless of any intermediate payment or discharge in whole or in part.

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed charges over, the property, assets, rights and/or benefits described above is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Collateral**"), the Issuer shall hold to the fullest extent permitted under Dutch or any other mandatory law the benefit of the Affected Collateral and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Collateral (together, the "**Trust Collateral**") on trust for the Trustee for the benefit of the Secured Parties and shall (i) account to the Trustee for or otherwise apply all sums received in respect of such Trust Collateral as the Trustee may direct (provided that, subject to the Conditions and the terms of the Collateral Management and Administration Agreement, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Collateral and such sums in respect of such Trust Collateral received by it and held on trust under this paragraph without prior direction from the Trustee), (ii) exercise any rights it may have in respect of the Trust Collateral at the direction of the Trustee and (iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

The Issuer may from time to time grant security by way of a first priority security interest to a Hedge Counterparty over the Counterparty Downgrade Collateral deposited by such Hedge Counterparty in the relevant Counterparty Downgrade Collateral Account as security for the Issuer's obligations to repay or redeem such Counterparty Downgrade Collateral pursuant to the terms of the applicable Hedge Agreement and Condition 3(j)(v) (*Counterparty Downgrade Collateral Account*) (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), excluding (i) any and all assets, property or rights which are located in, or governed by the laws of, The Netherlands, and (ii) any and all Dutch Ineligible Securities.

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 of the Agency and Account Bank Agreement.

Pursuant to the terms of the Trust Deed, the Trustee is exempted from any liability in respect of any loss or theft or reduction in value of the Collateral, from any obligation to insure the Collateral and from any claim arising from the fact that the Collateral is held in a clearing system or in safe custody by the Custodian, a bank or other custodian. The Trustee has no responsibility for ensuring that the Custodian satisfies the Rating Requirement applicable to it or, in the event of its failure to satisfy such Rating Requirement, to procure the appointment of a replacement custodian. The Trustee has no responsibility for the management of the Portfolio by the Collateral Manager or to supervise the administration of the Portfolio by the Collateral Administrator or by any other party and is entitled to rely on the certificates or notices of any relevant party without further enquiry. The Trust Deed also provides that the Trustee shall accept without investigation, requisition or objection, such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Collateral and is not bound to make any investigation into the same or into the Collateral in any respect.

(b) *Application of Proceeds upon Enforcement*

The Trust Deed provides that the net proceeds of realisation of or enforcement with respect to the security over the Collateral constituted by the Trust Deed shall be applied in accordance with the priorities of payments set out in Condition 11 (*Enforcement*).

(c) *Limited Recourse*

The obligations of the Issuer to pay amounts due and payable in respect of the Notes and to the other Secured Parties at any time shall be limited to the proceeds available at such time to make such payments in accordance with the Priorities of Payments and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding anything to the contrary in these Conditions or any other Transaction Document, if the net proceeds of realisation of the security constituted by the Trust Deed, upon enforcement thereof in accordance with Condition 11 (*Enforcement*) and the provisions of the Trust Deed or otherwise, are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Secured Parties (such negative amount being referred to herein as a "**shortfall**"), the obligations of the Issuer in respect of the Notes of each Class and its obligations to the other Secured Parties 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 Dutch Account and its rights under the Issuer Management Agreements) of the Issuer will not be available for payment of such shortfall, which shall be borne by the Noteholders and the other Secured Parties in accordance with the Priorities of Payments. In such circumstances the rights of the Secured Parties to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders or the other Secured Parties may take any further action to recover such amounts. None of the Noteholders, the Trustee, the other Secured Parties (or any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, examinership, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes of any Class, the Trust Deed or otherwise owed to the Secured Parties, save for lodging a claim in the liquidation of the Issuer which is

initiated by another non-Affiliated party or taking proceedings to obtain a declaration as to the obligations of the Issuer and without limitation to the Trustee's right to enforce and/or realise the security constituted by the Trust Deed (including by appointing a receiver or an administrative receiver).

In addition, none of the Noteholders or any of the other Secured Parties shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligations, covenants or agreement entered into or made by the Issuer pursuant to the terms of these Conditions or any other Transaction Document to which the Issuer is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

None of the Trustee, the Director, the Arrangers, the Joint Lead Managers, the Bookrunner, the Collateral Manager and any Agent has any obligation to any Noteholder of any Class for payment of any amount by the Issuer in respect of the Notes of any Class.

(d) *Acquisition and Sale of Portfolio*

Prior to the Issue Date, the Issuer committed to acquire certain Collateral Obligations (including, but not limited to, Collateral Obligations purchased pursuant to the Forward Purchase Agreement), such acquisitions to be settled on or after the Issue Date. The Collateral Manager is required to manage the Portfolio and to act in specific circumstances in relation to the Portfolio on behalf of the Issuer pursuant to the terms of, and subject to the parameters set out in the Collateral Management and Administration Agreement and subject to the overall supervision and control of the Issuer. The duties of the Collateral Manager, subject to the Standard of Care in, and the other provisions of, the Collateral Management and Administration Agreement, with respect to the Portfolio include (amongst others) the use of reasonable endeavours to:

(i) purchase Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement;

(ii) invest the amounts standing to the credit of the Accounts (other than the Counterparty Downgrade Collateral Accounts, the Collection Account and the Payment Account) in Eligible Investments; and

(iii) sell certain of the Collateral Obligations and reinvest the Principal Proceeds received from such sale or from repayments on such Collateral Obligations in Substitute Collateral Obligations in accordance with the criteria set out in the Collateral Management and Administration Agreement.

The Collateral Manager is required to monitor the Collateral Obligations with a view to seeking to determine whether any Collateral Obligation has converted into, or been exchanged for, an Exchanged Equity Security or Defaulted Obligation, provided that, if it fails to do so, it will not have any liability to the Issuer except as provided in the Collateral Management and Administration Agreement. No Noteholder shall have any recourse against any of the Issuer, the Collateral Manager, the Collateral Administrator, any other Agent or the Trustee for any loss suffered as a result of such failure.

Under the Collateral Management and Administration Agreement, the Issuer, the Controlling Class and the Subordinated Noteholders have certain rights in respect of the removal of the Collateral Manager and appointment of a replacement Collateral Manager.

(e) *Exercise of Rights in Respect of the Portfolio*

Pursuant to the Collateral Management and Administration Agreement, the Issuer authorises the Collateral Manager, prior to enforcement of the security over the Collateral, to exercise all rights and remedies of the Issuer in its capacity as a holder of, or person beneficially entitled to, the Portfolio. In particular, the Collateral Manager is authorised, subject to any specific direction given by the Issuer, to attend and vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Portfolio and to give any consent, waiver, indulgence, time or notification, make any declaration or agree any composition, compounding or other similar arrangement with respect to any obligations forming part of the Portfolio.

(f) *Information Regarding the Collateral*

The Issuer shall procure that a copy of each Monthly Report and any Payment Date Report is made available within two Business Days of publication, to each Noteholder of each Class upon request in writing therefor and that copies of each such Report are made available to the Trustee, the Collateral Manager, the Arrangers, the Hedge Counterparties and each Rating Agency within two Business Days of publication thereof.

5. Covenants of and Restrictions on the Issuer

(a) *Covenants of the Issuer*

Unless otherwise provided in the Transaction Documents, the Issuer covenants to the Trustee on behalf of the holders of the Notes that, for so long as any Note remains Outstanding, the Issuer will:

(i) take such steps as are reasonable to enforce all its rights:

(A) under the Trust Deed;

(B) in respect of the Collateral;

(C) under the Agency and Account Bank Agreement;

(D) under the Collateral Management and Administration Agreement;

(E) under the Issuer Management Agreements;

(F) under each Collateral Acquisition Agreement; and

(G) under any Hedge Agreements;

(ii) comply with its obligations under the Notes, the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party;

(iii) keep proper books of account in accordance with its obligations under Dutch law and maintain books/records separate from any other person or entity;

(iv) at all times maintain its tax residence outside the United Kingdom and the United States and will not establish a branch, agency (other than the appointment of the Collateral Manager and the Collateral Administrator pursuant to the Collateral Management and Administration Agreement) or place of business (save for the activities conducted by the Collateral Manager on its behalf) or register as a company in the United Kingdom or the United States;

(v) conduct its business and affairs such that, at all times:

(A) it shall maintain its registered office in The Netherlands;

(B) it shall hold all meetings of its board of Directors in The Netherlands and ensure that all of its directors are resident in The Netherlands for tax purposes, that they will exercise their control over the business and the Issuer independently and that those directors (acting independently) exercise their authority only from and within The Netherlands by taking all key decisions relating to the Issuer in The Netherlands;

(C) it shall not open any office or branch or place of business outside of The Netherlands;

(D) it shall not knowingly take any action (save to the extent necessary for the Issuer to comply with its obligations under the Transaction Documents) which will cause its "centre of main interests" (within the meaning of European Council Regulation No.

1346/2000 on Insolvency Proceedings (the "**Insolvency Regulations**") to be located in any jurisdiction other than The Netherlands and will not establish any offices, branches or other permanent establishments (as defined in the Insolvency Regulations) or register as a Company in any jurisdiction other than The Netherlands;

(vi) pay its debts generally as they fall due;

(vii) do all such things as are necessary to maintain its corporate existence;

(viii) use its best endeavours to obtain and maintain the listing on the Main Securities Market of the Irish Stock Exchange of the outstanding Notes of each Class. If, however, it is unable to do so, having used such endeavours, or if the maintenance of such listings are agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the holders of the Outstanding Notes of each Class would not thereby be materially prejudiced, the Issuer will instead use all reasonable endeavours promptly to obtain and thereafter to maintain a listing for such Notes on such other stock exchange(s) as it may (with the approval of the Trustee) decide;

(ix) supply such information to the Rating Agencies as they may reasonably request;

(x) ensure that its tax residence is and remains at all times in The Netherlands;

(xi) ensure an agent is appointed to assist in creating and maintaining the Issuer's website to enable the Rating Agencies to comply with Rule 17g-5.

(b) *Restrictions on the Issuer*

For so long as any of the Notes remain Outstanding, save as provided in the Transaction Documents, the Issuer covenants to the holders of such Outstanding Notes that (to the extent applicable) it will not, without the prior written consent of the Trustee:

(i) sell, factor, discount, transfer, assign, lend or otherwise dispose of any of its right, title or interest in or to the Collateral, other than in accordance with the Collateral Management and Administration Agreement, nor will it create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over the Collateral except in accordance with the Trust Deed, these Conditions or the Transaction Documents;

(ii) sell, factor, discount, transfer, assign, lend or otherwise dispose of, nor create or permit to be outstanding any mortgage, pledge, lien, charge, encumbrance or other security interest over, any of its other property or assets or any part thereof or interest therein other than in accordance with the Trust Deed, a Hedge Agreement, these Conditions or the Transaction Documents;

(iii) engage in any business other than:

(A) acquiring and holding any property, assets or rights that are capable of being effectively charged in favour of the Trustee or that are capable of being held on trust by the Issuer in favour of the Trustee under the Trust Deed;

(B) issuing and performing its obligations under the Notes;

(C) entering into, exercising its rights and performing its obligations under or enforcing its rights under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement and each other Transaction Document to which it is a party, as applicable; or

(D) performing any act incidental to or necessary in connection with any of the above;

(iv) amend any term or Condition of the Notes of any Class (save in accordance with these Conditions and the Trust Deed);

(v) agree to any amendment to any provision of, or grant any waiver or consent under the Trust Deed, the Agency and Account Bank Agreement, the Collateral Management and Administration Agreement, the Issuer Management Agreements, or any other Transaction Document to which it is a party (save in accordance with these Conditions and the Trust Deed);

(vi) guarantee or incur any indebtedness for borrowed money, other than in respect of:

(A) the Notes or any document entered into in connection with the Notes or the sale thereof;

(B) any Refinancing; or

(C) as otherwise contemplated or permitted pursuant to the Trust Deed or the Collateral Management and Administration Agreement;

(vii) amend its constitutional documents;

(viii) 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 The Netherlands;

(ix) have any employees (for the avoidance of doubt the Director of the Issuer do not constitute employees);

(x) enter into any reconstruction, amalgamation, merger or consolidation;

(xi) convey or transfer all or a substantial part of its properties or assets (in one or a series of transactions) to any person, otherwise than as contemplated in these Conditions;

(xii) issue any shares (other than the share that is in issue as at the Issue Date) nor redeem or purchase any of its issued share capital and shall maintain adequate share capital in light of its contemplated business operations;

(xiii) enter into any material agreement or contract with any Person (other than an agreement on customary market terms which for the avoidance of doubt will include agreements to buy and sell obligations and documentation relating to restructurings (including steering committee indemnity letters)), 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;

(xiv) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency and Account Bank Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executory obligation thereunder;

(xv) comingle its assets with those of any other Person or entity;

(xvi) otherwise than as contemplated in the Transaction Documents, release from or terminate the appointment of the Custodian or the Account Bank under the Agency and Account Bank Agreement, the Collateral Manager or the Collateral Administrator under the Collateral Management and Administration Agreement (including, in each case, any transactions entered into thereunder) or, in each case, from any executor obligation thereunder; or

(xvii) enter into any lease in respect of, or own, premises.

6. Interest

(a) *Payment Dates*

(i) *Rated Notes*

The Rated Notes each bear interest from (and including) the Issue Date and such interest will be payable semi-annually (or, in the case of interest accrued during the initial Accrual Period, for the period from (and including) the Issue Date to (but excluding) the first Payment Date falling in July 2014) in arrears 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 (AA) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (X) of the Post-Acceleration Priority of Payments on each Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Subordinated Note at its applicable Redemption Price.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of €1 principal amount of such Class of Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Class of Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 principal shall no longer remain Outstanding and each such Class of Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Subordinated Notes but shall only be payable on any Payment Date or other payment date following payment in full of amounts payable pursuant to the Priorities of Payments on such Payment Date or other payment date.

(b) *Interest Accrual*

(i) *Rated Notes*

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Trustee or the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 16 (*Notices*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) *Subordinated Notes*

Payments on the Subordinated Notes will cease to be payable in respect of each Subordinated Note upon the date that all of the Collateral has been realised and no Interest Proceeds or Principal Proceeds or, where applicable, other net proceeds of enforcement of the security over the Collateral, remain available for distribution in accordance with the Priorities of Payments.

(c) *Deferral of Interest*

For so long as they are not the Controlling Class, 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 or the Class E Notes in full on any Payment Date, in each case to the extent that there are Interest Proceeds or Principal Proceeds available for payment thereof in accordance with the Priorities of Payments.

In the case of the Class C Notes, the Class D Notes or the Class E Notes, for so long as they are not the Controlling Class, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c)(i) (*Deferred Interest*) otherwise be due and payable in respect of such Class on any Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Payment Date, but will be added to the principal amount of the Class C Notes, the Class D Notes or the Class E Notes, as applicable, and thereafter will accrue interest at the rate of interest applicable to that Class, and the failure to pay such Deferred Interest to the holders of the Class C Notes, the Class D Notes or the Class E Notes, as applicable, will not be an Event of Default until the Maturity Date or any earlier date on which the Notes are to be redeemed in full.

If the Class C Notes, the Class D Notes or the Class E Notes are 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 (*Events of Default*)) of the Payment Date in full will constitute an Event of Default. Interest will cease to accrue on each Note, or in the case of a partial repayment, on such part, from the due date for repayment thereof unless payment of principal is improperly withheld or unless default is otherwise made with respect to such payment of principal.

(d) *Payment of Deferred Interest*

Deferred Interest in respect of any Class C Note, Class D Note or Class E Note shall only become payable by the Issuer in accordance with the relevant paragraphs of the Interest Priority of Payments, the Principal Priority of Payments and the Post-Acceleration Priority of Payments and under the Note Payment Sequence in each place specified in the Priorities of Payments, to the extent that Interest Proceeds or Principal Proceeds, as applicable, or, where applicable, other net proceeds of enforcement of the security over the Collateral, are available to make such payment in accordance with the Priorities of Payments (and, if applicable, the Note Payment Sequence). For the avoidance of doubt, for so long as they are not the Controlling Class, Deferred Interest arising on the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable will be added to the principal amount of the relevant Class, as applicable. An amount equal to any such Deferred Interest so paid shall be subtracted from the principal amount of the Class C Notes, the Class D Notes and/or the Class E Notes, as applicable.

(e) *Interest on the Floating Rate Notes*

(i) *Floating Rate of Interest*

The rate of interest from time to time in respect of the Class A-1 Notes (the "**Class A-1 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 each a "**Floating Rate of Interest**") will be determined by the Calculation Agent on the following basis:

(1) On each Interest Determination Date, the Calculation Agent will determine the 6-month EURIBOR as at 11.00 am (Brussels time) on the Interest Determination Date in question. Such offered rate will be that which appears on the display designated on the Bloomberg Screen "BTMM EU" Page (or such other page or service as may replace it for the purpose of displaying EURIBOR rates). The Class A-1 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, and the Class E Floating Rate of Interest for each 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.

(2) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (1) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Calculation Agent will request each of four major banks in the Euro zone interbank market acting in each case through its principal Euro zone office (the "**Reference Banks**") to provide the Calculation Agent with its offered quotation to leading banks for the 6-month EURIBOR as at 11.00 am (Brussels time) on the Interest Determination Date in question. 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, and the Class E 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.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides such quotation, the Class A-1 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, and the Class E Floating Rate of Interest, respectively, for the next Accrual Period shall be the Class A-1 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, and the Class E Floating Rate of Interest in each case in effect as at the immediately preceding Accrual Period.

(4) Where:

"**Applicable Margin**" means:

(i) in the case of the Class A-1 Notes: 1.45 per cent. per annum (the "**Class A-1 Margin**");

(iii) in the case of the Class B-1 Notes: 2.10 per cent. per annum (the "**Class B-1 Margin**");

(iv) in the case of the Class C Notes: 3.25 per cent. per annum (the "**Class C Margin**");

(v) in the case of the Class D Notes: 4.25 per cent. per annum (the "**Class D Margin**"); and

(v) in the case of the Class E Notes: 6.00 per cent. per annum (the "**Class E Margin**").

(ii) *Determination of Floating Rate of Interest and Calculation of Interest Amount*

The Calculation Agent, on behalf of and at the expense of the Issuer, 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-1 Floating Rate of Interest, Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, the Class D Floating Rate of Interest, and the Class E Floating Rate of Interest and calculate the interest amount payable in respect of original principal amounts of the Class A-1 Notes, the Class B-1 Notes, the Class C Notes, the Class D Notes, and the Class E Notes equal to the Authorised Integral Amount applicable thereto for the relevant Accrual Period. The amount of interest (an "**Interest Amount**") payable in respect of each Authorised Integral Amount applicable to any such Notes shall be calculated by applying the Class A-1 Note Floating Rate of Interest in the case of the Class A-1 Notes, the Class B-1 Floating Rate of Interest in the case of the Class B-1 Notes, 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 and the Class E Floating Rate of Interest in the case of the Class E Notes, respectively, to an amount equal to the Principal Amount Outstanding in respect of such Authorised Integral Amount, multiplying the product by the actual number of days in the Accrual Period concerned, divided by 360 and rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards).

(iii) *Calculation of Class A-2 and Class B-2 Fixed Amounts*

The Calculation Agent will calculate the amount of interest (an "**Interest Amount**") payable in respect of original principal amounts of the Class A-2 Notes and the Class B-2 Notes equal to the Authorised Integral Amount for the relevant Accrual Period by applying the Class A-2 Fixed Rate of Interest or the Class B-2 Fixed Rate of Interest (as applicable) 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),

where:

"**Class A-2 Fixed Rate of Interest**" means 2.80 per cent. per annum; and

"**Class B-2 Fixed Rate of Interest**" means 3.65 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, or Class E Note remains Outstanding:

(1) a Calculation Agent shall be appointed and maintained for the purposes of determining the interest rate and interest amount payable in respect of the Notes; and

(2) in the event that the Class A-1 Floating Rate of Interest, the Class B-1 Floating Rate of Interest, the Class C Floating Rate of Interest, Class D Floating Rate of Interest, and the Class E Floating Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (2) of Condition 6(e)(i) (*Floating Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (2) are requested to provide a quotation.

If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any 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.

(f) *Proceeds in respect of Subordinated Notes*

Solely in respect of Subordinated Notes, the Collateral Administrator will as of each Determination Date calculate the Interest Proceeds and/or Principal 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 and/or Principal 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 and/or Principal Proceeds to be applied on the Subordinated Notes on the applicable Payment Date pursuant to paragraph (AA) of the Interest Priority of Payments, paragraph (S) of the Principal Priority of Payments and paragraph (X) of the Post-Acceleration Priority of Payments by fractions equal to the amount of such Authorised Integral Amount divided by the aggregate original principal amount of the Subordinated Notes.

(g) *Publication of Floating Rates of Interest, Interest Amounts and Deferred Interest*

The Calculation Agent will cause the Class A-1 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 the Class A-2 Fixed Rate of Interest and the Class B-2 Fixed Rate of Interest and the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest due but not paid on any Class C Notes, Class D Notes or Class E Notes for each Accrual Period and Payment Date and the Principal Amount Outstanding of each Class of Notes as of the applicable Payment Date to be notified to the Registrar, the Principal Paying Agent, the Transfer Agent, the Trustee and the Collateral Manager, for so long as the Notes are listed on the Main Securities 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 Notes, the Class C Notes, the Class D Notes and the Class E Notes or the Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Accrual Period. If any of the Notes become due and payable under Condition 10 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(h) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason so calculate the Class A-1 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, or the Class E Floating Rate of Interest for an Accrual Period, the Trustee (or a person appointed by it for the purpose) may do so and such determination or calculation shall be deemed to have been made by the Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it may make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) *Notifications, etc. to be Final*

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent, the Transfer Agent and all Noteholders and (in the absence as referred to above) no liability to the Issuer or the Noteholders of any Class shall attach to the Reference

Banks, the Calculation Agent or the Trustee in connection with the exercise or non exercise by them of their powers, duties and discretions under this Condition 6(i) (*Notifications, etc. to be Final*).

7. Redemption and Purchase

(a) *Final Redemption*

Save to the extent previously redeemed in full and cancelled, the Notes of each Class will be redeemed on the Maturity Date of such Notes. In the case of a redemption pursuant to this Condition 7(a) (*Final Redemption*), the Notes will be redeemed at their Redemption Price in accordance with the Principal Priority of Payments. Notes may not be redeemed other than in accordance with this Condition 7 (*Redemption and Purchase*).

Notwithstanding any other provisions of the Conditions or the Trust Deed, all references herein and therein to any Subordinated Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that €1 principal amount of such Subordinated Notes remains Outstanding at all times and any amounts which are to be applied in redemption of such Notes pursuant hereto which are in excess of the Principal Amount Outstanding thereof minus €1, shall constitute excess distributions in respect of the Subordinated Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such €1 shall no longer remain outstanding and such Subordinated Notes shall be redeemed in full on the date on which all of the Collateral securing the Notes has been realised and is to be finally distributed to the Noteholders.

(b) *Optional Redemption*

(i) *Optional Redemption - Subordinated Noteholders*

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

(A) on any Payment Date falling on or after expiry of the Non-Call Period at the option of the holders of the Subordinated Notes (excluding any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by way of Ordinary Resolution (as evidenced by duly completed Redemption Notices); or

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

(ii) *Terms and Conditions of an Optional Redemption*

In connection with any Optional Redemption:

(A) the Issuer shall procure that at least 30 days' prior written notice of such Optional Redemption (but stating that such redemption is subject to satisfaction of the conditions set out in this Condition 7(b) (*Optional Redemption*)), including the applicable Redemption Date, and the relevant Redemption Price of the Rated Notes 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 the Rated Notes in whole, to the right of holders of 100 per cent. of the aggregate Principal Amount Outstanding of any Class of Rated Notes to elect to receive less than 100 per cent. of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes). Such right shall be exercised by delivery by each holder of the relevant Class of Rated Notes of a written direction confirming such holder's election to

receive less than 100 per cent. of the Redemption Price that would otherwise be payable to it, together with evidence of their holding to the Issuer and the Collateral Manager no later than 30 days prior to the relevant Redemption Date;

(C) the Collateral Manager shall have no right or other ability to prevent an Optional Redemption directed by the Subordinated Noteholders in accordance with this Condition 7(b) (*Optional Redemption*); and

(D) any such redemption must comply with the procedures set out in Condition 7(b)(v) (*Mechanics of Redemption*).

(iii) *Optional Redemption effected through Refinancing*

Following receipt of, or, as the case may be, confirmation from the Principal Paying Agent of receipt of, a direction in writing from the Subordinated Noteholders (excluding any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by way of Ordinary Resolution to exercise the right of optional redemption pursuant to Condition 7(b)(i) (*Optional Redemption – Subordinated Noteholders*), the Issuer may (1) enter into a loan (as borrower thereunder) with one or more financial institutions (qualifying as a "professional market party" pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) the "**Dutch FSA**"); or (2) issue replacement notes (in accordance with the provisions of the Dutch FSA), whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer (any such refinancing, a "**Refinancing**"). The terms of any Refinancing and the identity of any financial institutions acting as lenders or purchasers thereunder are subject to the prior written consent of the Subordinated Noteholders (excluding any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by Ordinary Resolution and each Refinancing is required to satisfy the conditions described in this Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*).

Refinancing Proceeds may be applied in addition to (or in place of) Sale Proceeds in the redemption of the Rated Notes pursuant to Condition 7(b)(i) (*Optional Redemption – Subordinated Noteholders*).

(A) Refinancing in relation to a Redemption

In the case of a Refinancing in relation to the redemption of the Rated Notes in whole but not in part pursuant to Condition 7(b)(i) (*Optional Redemption– Subordinated Noteholders*) as described above, such Refinancing will be effective only if:

(1) the Issuer provides prior written notice thereof to the Rating Agencies and each Hedge Counterparty;

(2) all Principal Proceeds, all Refinancing Proceeds, all Sale Proceeds, if any, from the sale of Collateral Obligations, Eligible Investments, Exchanged Equity Securities and Collateral Enhancement Obligations 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 and the Class E 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 the Redemption Price) on such Redemption Date when applied in accordance with the Post-Acceleration Priority of Payments;

(3) all Principal Proceeds, Refinancing Proceeds, Sale Proceeds, if any, and other available funds are used (to the extent necessary) to make such redemption;

(4) each agreement entered into by the Issuer in respect of such Refinancing contains limited recourse and non-petition provisions substantially the same as those contained in the Trust Deed; and

(5) all Refinancing Proceeds, all Principal Proceeds and all Sale Proceeds, if any, from the sale of Collateral Obligations and Eligible Investments are received by (or on behalf of) the Issuer prior to the applicable Redemption Date,

in each case, as confirmed to the Issuer and the Trustee by the Collateral Manager.

If, in relation to a proposed optional redemption of the Notes any of the relevant conditions specified in this Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*) are not satisfied, the Issuer shall cancel the relevant redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager 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.

(B) Consequential Amendments

Following a Refinancing, the Trustee shall agree to the modification of the Trust Deed and the other Transaction Documents to the extent that the Issuer certifies it is necessary to reflect the terms of the Refinancing, subject as provided below. No further consent for such amendments shall be required from the holders of Notes.

The Trustee will not be obliged to enter into any modification that, in its reasonable opinion, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents, and the Trustee will be entitled to conclusively rely upon an officer's certificate or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Trust Deed without the consent of the holders of the Notes (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds).

(iv) *Redemption effected through Liquidation only*

Following receipt of notice from the Issuer or, as the case may be, of confirmation from the Principal Paying Agent of a direction in writing from (i) the Subordinated Noteholders (excluding (other than in the case of Condition 7(b)(i)(B) (*Optional Redemption*) and Condition 7(g) (*Redemption Following a Note Tax Event*)) any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by way of Ordinary Resolution (in respect of a redemption pursuant to this Condition 7(b)) or acting by way of Extraordinary Resolution (in respect of a redemption pursuant to Condition 7(g) (*Redemption Following a Note Tax Event*)) or (ii) the Controlling Class (acting by way of Extraordinary Resolution), as the case may be, to exercise any right of optional redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following a Note Tax Event*) (as applicable) to be effected solely through the liquidation or realisation of the Collateral, the Collateral Administrator shall, as soon as practicable, and in any event not later than 17 Business Days prior to the scheduled Redemption Date (the "**Redemption Determination Date**"), provided that the Collateral Administrator has received such notice or confirmation at least 20 Business Days prior to the scheduled Redemption Date, calculate the Redemption Threshold Amount in consultation with the Collateral Manager. The Collateral

Manager or any of its Affiliates will be permitted to purchase Collateral Obligations in the Portfolio where the Noteholders exercise their right of early redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*) (as applicable).

The Notes shall not be optionally redeemed where such Optional Redemption is to be effected solely through the liquidation or realisation of the Portfolio unless:

(A) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee a certificate (upon which certificate the Trustee may rely absolutely) signed by an officer of the Collateral Manager that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions (which (A) either (x) has a long-term issuer credit rating of at least "A+" by S&P or (y) has a long-term issuer credit rating of at least "A" and a short-term issuer credit rating of at least "A-1", in each case by S&P and (B) either (x) has a long-term issuer credit rating of at least "A" by Fitch, (y) if it does not have a long-term issuer credit rating by Fitch, a short-term issuer credit rating of "F1" by Fitch, or (z) 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 two Business Days prior to the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee) 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 and (without duplication) the amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full to meet the Redemption Threshold Amount;

(B) at least two Business Days before the scheduled Redemption Date (or such shorter date as agreed between the Collateral Manager and the Trustee), the Issuer shall have received proceeds of disposition of all or part of the Portfolio at least sufficient, together with the Eligible Investments maturing, redeemable or putable to the issuer thereof at par on or prior to the scheduled Redemption Date and (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, to meet the Redemption Threshold Amount, *provided that*, if the Issuer has received funds from a purchaser of one or more Collateral Obligations (in whole or in part), but such Collateral Obligations have not yet been disposed of by transfer of legal title, such funds will be included within the calculation of whether the Redemption Threshold Amount has been met; and

(C) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager confirms in writing to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale or maturing of Eligible Investments, (B) for each Collateral Obligation, the product of its Principal Balance and its Market Value and (C) (without duplication) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full, shall exceed the Redemption Threshold Amount.

The Collateral Manager shall notify the Issuer, the Trustee, the Collateral Administrator, each Hedge Counterparty and the Principal Paying Agent in writing upon satisfaction of the conditions set out in paragraphs (A) through (C) of this Condition 7(b)(iv) (*Redemption effected through Liquidation only*) (including where such conditions have been satisfied in connection with a redemption pursuant to this Condition 7(b) (*Optional Redemption*) or Condition 7(g) (*Redemption Following Note Tax Event*)).

Any certification delivered by the Collateral Manager pursuant to this Condition 7(b)(iv) must include (1) the prices on the date of such certification of, and expected proceeds from, the sale

(directly or by participation or other arrangement) or redemption of any Collateral Obligations and/or Eligible Investments, (2) amounts standing to the credit of the Accounts which would be applied in accordance with the Post-Acceleration Priority of Payments if the Notes fell due for redemption in full and (3) all calculations required by this Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption Following a Note Tax Event*). 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 Obligations to be sold as part of an Optional Redemption pursuant to this Condition 7(b)(iv).

The Trustee shall rely conclusively and without liability on any confirmation or certificate of the Collateral Manager furnished by it pursuant to or in connection with this Condition 7(b)(iv).

If any of the conditions (A) to (C) above are not satisfied, the Issuer shall cancel the redemption of the Notes and shall give notice of such cancellation to the Trustee, the Collateral Manager and the Noteholders in accordance with Condition 16 (*Notices*).

(v) *Mechanics of Redemption*

Following calculation by the Collateral Administrator with the assistance of 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 and Administration Agreement and shall notify the Issuer, the Trustee, the Collateral Manager and the Principal Paying Agent.

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 a Note Tax Event*) (as applicable) shall be effected by delivery to the Principal Paying Agent, by the requisite amount of Subordinated Noteholders or the requisite amount of Notes comprising the Controlling Class (as applicable) held thereby of duly completed Redemption Notices not less than 30 days prior to the proposed Redemption Date. No Redemption Notice so delivered or any direction given by the Collateral Manager may be withdrawn without the prior consent of the Issuer. The Registrar shall copy each Redemption Notice or any direction given by the Collateral Manager received to each of the Issuer, the Trustee, the Collateral Administrator, the Hedge Counterparties and the Collateral Manager.

Upon receipt of any notice of redemption in accordance with this Condition 7(b) (*Optional Redemption*), the Collateral Manager shall use commercially reasonable endeavours to arrange for liquidation and/or realisation of the Portfolio in whole or in part as necessary, on behalf of the Issuer in accordance with the Collateral Management and Administration Agreement. The Issuer shall deposit, or cause to be deposited, the funds required for an optional redemption of the Notes in accordance with this Condition 7(b) and/or Condition 7(g) (Redemption *following Note Tax Event*) (as applicable) in the Payment Account on or before the Business Day prior to the applicable Redemption Date. Principal Proceeds and Interest Proceeds received in connection with a redemption in whole of the Rated Notes shall be payable in accordance with the Post-Acceleration Priority of Payments.

(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 Test is satisfied if recalculated immediately following such redemption.

(ii) *Class C Notes*

If the Class C Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class C Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date 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 immediately following such redemption.

(iii) *Class D Notes*

If the Class D Par Value Test is not met on any Determination Date on or after the Effective Date or if the Class D Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date 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, 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 immediately following such redemption.

(iv) *Class E Notes*

If the Class E Par Value Test is not met on any Determination Date on or after the Effective Date, or if the Class E Interest Coverage Test is not met on the Determination Date immediately preceding the second Payment Date or any Determination Date thereafter, Interest Proceeds and thereafter Principal Proceeds will be applied (i) in the case of Interest Proceeds, in redemption of the Class E Notes on the related Payment Date until each such Coverage Test is satisfied if recalculated immediately following such redemption, and (ii) in the case of Principal Proceeds, in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes in accordance with the Note Payment Sequence, in each case on the related Payment Date in accordance with and subject to the Priorities of Payments (including, in the case of Principal Proceeds, in payment of all prior ranking amounts) until each such Coverage Test is satisfied if recalculated immediately following such redemption.

(d) *Special Redemption*

Principal payments on the Notes shall be made in accordance with the Principal Priority of Payments at the 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 (upon which certification the Trustee may rely without further enquiry) to the Trustee that, using commercially reasonable endeavours, it has been unable, for a period of 30 consecutive Business Days, to identify Substitute Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion which meet the Eligibility Criteria and, 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 Substitute Collateral Obligations (a "**Special Redemption**"). On the first Payment Date following the Due Period in which such certification is given (a "**Special Redemption Date**"), the funds in the Principal Account representing Principal Proceeds which, using commercially reasonable endeavours, cannot be reinvested in Substitute Collateral Obligations by the Collateral Manager (a "**Special Redemption Amount**") will be applied in accordance with paragraph (N) of the Principal Priority of Payments. Notice of payments pursuant to this Condition 7(d) (*Special Redemption*) shall be given by the Issuer in accordance with Condition 16 (*Notices*) not less than three Business Days prior to the applicable Special Redemption Date to each Noteholder affected thereby and to each Rating Agency. For the avoidance of doubt, the exercise of a Special Redemption shall be at the sole and absolute discretion of the Collateral Manager (acting on behalf of the Issuer) and the Collateral Manager shall be under no obligation to, or have any responsibility to, any Noteholder or any other person for the exercise or non exercise (as applicable) of such Special Redemption.

(e) *Redemption upon Effective Date Rating Event*

In the event that as at the Business Day prior to the Payment Date following the Effective Date, an Effective Date Rating Event has occurred and is continuing, the Rated Notes shall be redeemed in accordance with the Note Payment Sequence on such Payment Date and thereafter on each Payment Date (to the extent required) out of Interest Proceeds and thereafter out of Principal Proceeds subject to the Priorities of 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 (upon which certification the Trustee may rely without further enquiry) to the Trustee and the Noteholders that it is not able to effect such change of residence and (b) the date which is 90 days from the date upon which the Issuer first becomes aware of such Note Tax Event (provided that such 90 day period shall be extended by a further 90 days in the event that during the former period the Issuer has notified (or procured the notification of) the Noteholders that, based on advice received by it, it expects that it shall have changed its place of residence by the end of the latter 90 day period), the Controlling Class or the Subordinated Noteholders, in each case acting by way of Extraordinary Resolution, may elect that the Notes of each Class are redeemed, in whole but not in part, on any Payment Date thereafter, at their respective Redemption Prices in accordance with the Note Payment Sequence, in which case the Issuer shall so redeem the Notes on such terms, provided that such Note Tax Event would affect payment of principal or interest in respect of the Controlling Class or, as the case may be, the Subordinated Notes (in addition to any other Class of Notes) on such Payment Date; 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)(iv) (*Redemption effected through Liquidation only*).

(h) *Redemption*

Unless otherwise specified in this Condition 7 (*Redemption and Purchase*), all Notes in respect of which any notice of redemption is given shall be redeemed on the Redemption Date at their applicable Redemption Prices and to the extent specified in such notice and in accordance with the requirements of this Condition 7 (*Redemption and Purchase*).

(i) *Cancellation and Purchase*

All Notes redeemed in full by the Issuer will be cancelled and may not be reissued or resold.

No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except for payment as provided herein for cancellation pursuant to paragraph (k) (*Purchase*) below, for registration of transfer, exchange or redemption, or for replacement in connection with any Note mutilated, defaced or deemed lost or stolen.

(j) *Notice of Redemption*

The Issuer shall procure that notice of any redemption in accordance with this Condition 7 (*Redemption and Purchase*) (which notice shall be irrevocable) is given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*) and promptly in writing to 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 and Administration Agreement the Issuer may, subject to the conditions below, purchase any of the Rated Notes (in whole or in part), using Principal Proceeds standing to the credit of the Principal Account or the Supplemental Reserve Account.

No purchase of Rated Notes by the Issuer may occur (other than pursuant to Condition 2(k) (*Forced Transfer Mechanics*)) unless each of the following conditions is satisfied:

(i) (A) such purchase of Rated Notes shall occur in the following sequential order of priority:

first, the Class A Notes (on a *pari passu* basis), until the Class A Notes are purchased or redeemed in full and cancelled; second, the Class B Notes, until the Class B Notes are purchased or redeemed in full and cancelled; third, the Class C Notes, until the Class C Notes are purchased or redeemed in full and cancelled; fourth, the Class D Notes, until the Class D Notes are purchased or redeemed in full and cancelled; fifth, the Class E Notes, until the Class E Notes are purchased or redeemed in full and cancelled;

(B) (1) each such purchase of Rated Notes of any Class shall be made pursuant to an offer made to all holders of the Rated Notes of such Class (and, (i) in the case of either the Class A-1 Notes or the Class A-2 Notes, to all holders of the relevant other Class of Rated Notes which are Class A Notes and (ii) in the case of either the Class B-1 Notes or the Class B-2 Notes, to all holders of the relevant other Class of Rated Notes which are Class B Notes), 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 Supplemental Reserve Amounts that will be used to effect such purchase and the length of the period during which such offer will be open for acceptance;

(2) subject to compliance with all applicable laws, each such holder of a Rated Note shall have the right, but not the obligation, to accept such offer in accordance with its terms; and

(3) if the aggregate Principal Amount Outstanding of Notes of the relevant Class held by holders who accept such offer exceeds the amount of 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 and (i) in the case of the Class A Notes, on a *pari passu* basis between the relevant holders of the Class A-1 Notes and the Class A-2 Notes and (ii) in the case of the Class B Notes, on a *pari passu* basis between the relevant holders of the Class B-1 Notes and the Class B-2 Notes;

(C) each such purchase shall be effected only at prices discounted from the Principal Amount Outstanding of the relevant Notes;

(D) if Sale Proceeds are used to consummate any such purchase, each requirement or test, as the case may be, of the Portfolio Profile Tests and the Collateral Quality Test (except the S&P CDO Monitor Test) will be satisfied after giving effect to such purchase;

(E) no Event of Default shall have occurred and be continuing;

(F) any Rated Notes to be purchased shall be surrendered to the Registrar for cancellation and may not be reissued or resold;

(G) each Rating Agency is notified of such purchase; and

(H) each such purchase will otherwise be conducted in accordance with applicable law (including the laws of The Netherlands).

Upon instruction by the Issuer, the Registrar shall cancel any such purchased Rated Notes surrendered to it for cancellation. The cancellation (and/or decrease, as applicable) of any such surrendered Rated Notes shall be taken into account for purposes of all relevant calculations.

8. Payments

(a) *Method of Payment*

Payments of principal upon final redemption in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of such Note at the specified office of the Principal Paying Agent by wire transfer. Payments of interest on each Note and, prior to redemption in full thereof, principal in respect of each Note, will be made by wire transfer. Upon application of the holder to the specified office of the Principal Paying Agent not less than five Business Days before the due date for any payment in respect of a Note, the payment may be made (in the case of any final payment of principal against presentation and surrender (or, in the case of part payment only of such final payment, endorsement) of such Note as provided above) by wire transfer, in immediately available funds, on the due date to a Euro account maintained by the payee with a bank in Western Europe.

(b) *Payments*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or any law implementing an intergovernmental approach thereto. No commission shall be charged to the Noteholders.

(c) *Payments on Presentation Days*

A holder shall be entitled to present a Note for payment only on a Presentation Date and shall not, except as provided in Condition 6 (*Interest*), be entitled to any further interest or other payment if a Presentation Date falls after the due date.

If a Note is presented for payment at a time when, as a result of differences in time zones it is not practicable to transfer the relevant amount to an account as referred to above for value on the relevant Presentation Date, the Issuer shall not be obliged so to do but shall be obliged to transfer the relevant amount to the account for value on the first practicable date after the Presentation Date.

(d) *Principal Paying Agent and Transfer Agent*

The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Principal Paying Agent and the Transfer Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying Agent and (ii) 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

(a) *General*

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within The Netherlands or the United States, or any political sub-division or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments (including, but not limited to interest and/or principal repayments) made to Noteholders of any Class and shall withhold or deduct from any such payments any amounts on account of such tax where so required by law or any such relevant taxing authority or in connection with FATCA. Any withholding or deduction shall not constitute an Event of Default under Condition 10(a) (*Events of Default*).

Payments will be subject in all other cases to any other fiscal or other laws and regulations applicable thereto in any jurisdiction and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws or regulations.

(b) *FATCA Withholding*

Payments in respect of the Notes are subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or any law implementing an intergovernmental agreement thereto. Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid by the Issuer or any other party with respect to any such withholding or deduction.

(c) *Substitution*

Subject as provided below, if the Issuer certifies (upon which certification the Trustee may rely without further enquiry) to the Trustee that it has or will on the occasion of the next payment due in respect of the Notes of any Class become obliged by the laws of The Netherlands to withhold or account for tax so that it would be unable to make payment of the full amount that would otherwise be due but for the imposition of such tax, the Issuer (save as provided below) shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its tax residence to another jurisdiction approved by the Trustee, subject to receipt of Rating Agency Confirmation in relation to such change, provided that the Trustee's approval shall be subject to confirmation of tax counsel that such a substitution and/or change in tax residence would be effective in eliminating the imposition of such tax.

Notwithstanding the above, if any taxes referred to in this Condition 9 (*Taxation*) arise:

(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 The Netherlands (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 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 The Netherlands 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 the 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.

10. Events of Default

(a) *Events of Default*

Any of the following events shall constitute an "**Event of Default**":

(i) *Non payment of interest*

the Issuer fails to pay any interest in respect of the Class A Notes or 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 in respect of any Class C Note when the same becomes due and payable or, following redemption and payment in full of the Class C Notes, the Issuer fails to pay any interest in respect of any Class D Note when the same becomes due and payable, or, following redemption and payment in full of the Class D Notes, the Issuer fails to pay any interest in respect of any Class E Note when the same becomes due and payable (except that, for the avoidance of doubt, failure to pay amounts which were previously deferred pursuant to Condition 6(c) (*Deferral of Interest*) shall not constitute a failure to pay interest for the purposes of this Condition 10(a)(i) (*Non payment of interest*)) 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 by the Collateral Administrator or the Principal Paying Agent, such failure continues for a period of at least seven Business Days after the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission; provided further, that the failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with these Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(ii) *Non payment of principal*

the Issuer fails to pay any principal when the same becomes due and payable on any Rated Note on the Maturity Date or any Redemption Date and, in each case, the failure to pay such principal continues for a period of at least five Business Days, provided that, in the case of a failure to disburse due to an administrative error or omission by the Collateral Administrator or the Principal Paying Agent, such failure continues for a period of at least seven Business Days after the Collateral Administrator or the Principal Paying Agent receives written notice of, or has actual knowledge of, such administrative error or omission and provided further that, failure to effect any Optional Redemption or redemption following a Note Tax Event for which notice is withdrawn in accordance with the Conditions or, in the case of an Optional Redemption with respect to which a Refinancing fails, will not constitute an Event of Default;

(iii) *Default under Priorities of 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 five Business Days or, in the case of a failure to disburse due to an administrative error or omission or another non credit-related reason (as determined by the Collateral Manager acting in a commercially reasonable manner and certified in writing to the Trustee (upon which certification the Trustee may rely absolutely), but without liability as to such determination) by the Collateral Administrator, such failure continues for seven Business Days after the Collateral Administrator receives written notice of, or has actual knowledge of, such administrative error or omission;

(iv) *Collateral Obligations*

on any Measurement Date after the Effective Date, failure of the percentage equivalent of a fraction, (i) the numerator of which is equal to (1) the Collateral Principal Amount plus (2) the aggregate in respect of each Defaulted Obligation of its Market Value multiplied by its Principal Balance on such date 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 "Event of Default", a default in a material respect in the performance by, or breach in a material respect of any material covenant of, the Issuer under the Trust Deed and/or these Conditions (provided that any failure to meet any Portfolio Profile Test, Collateral Quality Test, Coverage Test or Reinvestment Overcollateralisation Test is not an Event of Default and any failure to satisfy the Effective Date Determination Requirements is not an Event of Default, except in either case to the extent provided in paragraph (iv) above) or the failure of any material representation, warranty, undertaking or other agreement of the Issuer made in the Trust Deed and/or these Conditions or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 30 days after the earlier of (a) the Issuer having actual knowledge of such default, breach or failure or (b) notice being given to the Issuer, the Hedge Counterparties and the Collateral Manager by registered or certified mail or courier from the Trustee, the Issuer or the Collateral Manager, or to the Issuer and the Collateral Manager from the Controlling Class acting pursuant to an Ordinary Resolution, in each case copied to the Trustee (as applicable), specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Trust Deed; provided that if the Issuer (as notified to the Trustee by the Collateral Manager in writing) has commenced curing such default, breach or failure during the 30 day period specified above, such default, breach or failure shall not constitute an Event of Default under this paragraph (v) unless it continues for a period of 45 days (rather than, and not in addition to, such 30 day period specified above) after the earlier of the Issuer having actual knowledge thereof or notice thereof in accordance herewith. For the purposes of this paragraph, the materiality of such default, breach, representation or warranty shall be determined by the Trustee;

(vi) *Insolvency Proceedings*

proceedings are initiated against the Issuer under any applicable liquidation, examinership, insolvency, bankruptcy, composition, reorganisation or other similar laws (together, "**Insolvency Law**"), or a receiver, administrative receiver, trustee, administrator, custodian, conservator, liquidator, examiner, curator or other similar insolvency official (a "**Receiver**") is appointed in relation to such proceedings and the whole or any substantial part (in the opinion of the Trustee) 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 initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any

reorganisation or amalgamation (other than on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Controlling Class);

(vii) *Illegality*

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes; or

(viii) *Investment Company Act*

the Issuer or any of the Collateral becomes required to register as an "Investment Company" under the Investment Company Act and such requirement continues for 45 days.

(b) *Acceleration*

If an Event of Default occurs and is continuing, the Trustee may, at its discretion, and shall, at the request of the Controlling Class acting by way of Extraordinary Resolution, (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) give notice to the Issuer, the Hedge Counterparties, the Rating Agencies and the Collateral Manager that all the Notes are immediately due and repayable (such notice, an "**Acceleration Notice**"), whereupon the Notes shall become immediately due and repayable at their applicable Redemption Prices, provided that upon the occurrence of an Event of Default described in paragraph (vi) of the definition thereof, an Acceleration Notice shall be deemed to have been given and all the Notes shall automatically become immediately due and repayable 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 an Event of Default (other than with respect to an Event of Default occurring under paragraph (vi) of the definition thereof) and prior to enforcement of the security pursuant to Condition 11 (*Enforcement*), the Trustee, subject to receipt of consent in writing from the Controlling Class, may and shall, if so requested by the Controlling Class, in each case, acting by Extraordinary Resolution (and subject, in each case, to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) rescind and annul such notice of acceleration under paragraph (b) above and its consequences if:

(i) the Issuer has paid or deposited with the Trustee (or to its order) a sum sufficient to pay:

(A) all overdue payments of interest and principal on the Notes, other than the Subordinated Notes;

(B) all due but unpaid taxes owing by the Issuer, as certified by an Authorised Officer of the Issuer to the Trustee;

(C) all unpaid Administrative Expenses and Trustee Fees and Expenses; and

(D) all amounts due and payable by the Issuer under any Currency Hedge Agreement or Interest Rate Hedge Agreement; and

(ii) the Trustee has determined that all Events of Default, other than the non-payment of the interest in respect of, or principal of, the Notes that have become due solely as a result of the acceleration thereof under paragraph (b) above due to such Events of Default, have been cured or waived.

Any previous rescission and annulment of a notice of acceleration pursuant to this paragraph (c) shall not prevent the subsequent acceleration of the Notes if the Trustee, at its discretion or, as subsequently

requested, accelerates the Notes or if the Notes are automatically accelerated in accordance with paragraph (b) above.

(d) *Restriction on Acceleration*

No acceleration of the Notes shall be permitted by any Class of Noteholders, other than the Controlling Class as provided in Condition 10(b) (*Acceleration*).

(e) *Notification and Confirmation of No Default*

The Issuer shall immediately notify the Trustee, the Collateral Manager, the Noteholders and the Rating Agencies upon becoming aware of the occurrence of an Event of Default. The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee and the Rating Agencies on an annual basis that no Event of Default has occurred and that no condition, event or act has occurred which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition would constitute an Event of Default and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

11. Enforcement

(a) *Security Becoming Enforceable*

Subject as provided in paragraph (b) below, the security constituted by the Trust Deed over the Collateral shall become enforceable upon an acceleration of the maturity of the Notes pursuant to Condition 10(b) (*Acceleration*).

(b) *Enforcement*

At any time after the Notes become due and repayable and the security under the Trust Deed becomes enforceable, the Trustee may, at its discretion (but subject always to Condition 4(c) (*Limited Recourse*)), and shall, if so directed by the Controlling Class acting by Extraordinary Resolution (subject as provided in Condition 11(b)(ii) (*Enforcement*)), institute such proceedings or take such other action against the Issuer or take any other action as it may think fit to enforce the terms of the Trust Deed and the Notes and pursuant and subject to the terms of the Trust Deed and the Notes, realise and/or otherwise liquidate or sell the Collateral in whole or in part and/or take such other action as may be permitted under applicable laws against any Obligor in respect of the Collateral and/or take any other action to enforce the security over the Collateral in accordance with the Trust Deed (such actions together, "**Enforcement Actions**"), in each case without any liability as to the consequences of such action and without having regard (save to the extent provided in Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)) to the effect of such action on the individual Noteholders of any Class or any other Secured Party provided however that:

(i) no such Enforcement Action may be taken by the Trustee unless:

(A) subject to being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee (or an agent or appointee on its behalf) 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 priority to the Subordinated Notes pursuant to the Post-Acceleration Priority of Payments (such amount the "**Enforcement Threshold**" and such determination being an "**Enforcement Threshold Determination**") and the Controlling Class agrees with such determination by an Ordinary Resolution, subject to consultation by the Trustee with the Collateral Manager (in which case the Enforcement Threshold will be met); or

(B) if the Enforcement Threshold will not have been met then:

(1) in the case of an Event of Default specified in sub-paragraph (i), (ii) and (iv) of Condition 10(a) (*Events of Default*), the Controlling Class directs the

Trustee by Extraordinary Resolution to take Enforcement Action without regard to any other Event of Default which has occurred prior to, contemporaneously or subsequent to such Event of Default; or

(2) in the case of any other Event of Default, the Noteholders of each Class of Rated Notes acting by Extraordinary Resolution separately by Class directs the Trustee to take Enforcement Action.

(ii) subject as provided above, 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 acting by Extraordinary Resolution and, in the case of Condition 11(b)(i)(B)(2), each Class of Rated Notes, acting by Extraordinary 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 and the Class E Notes, the Trustee shall (provided it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith) act upon the directions of the Subordinated Noteholders acting by Extraordinary Resolution; and

(iii) for the purposes of determining issues relating to the execution of a sale or liquidation of the Portfolio, the anticipated proceeds to be realised from any Enforcement Action and whether the Enforcement Threshold will be met, the Trustee may appoint an independent investment banking firm or other appropriate advisor to advise it and may obtain and rely on an opinion and/or advice of such independent investment banking firm or other appropriate advisor (the cost of which shall be payable as Trustee Fees and Expenses).

The Trustee shall notify the Noteholders, the Issuer, the Agents, the Collateral Manager, the Hedge Counterparties and the Rating Agencies in the event that it makes an Enforcement Threshold Determination at any time or takes any Enforcement Action at any time (such notice an "**Enforcement Notice**"). Following the effectiveness of an Acceleration Notice which has not been rescinded and annulled in accordance with Condition 10(c) (*Curing of Default*) or, as the case may be following automatic acceleration of the Notes or pursuant to an Optional Redemption in whole in accordance with Condition 7(b) (*Optional Redemption*) or 7(g) (*Redemption Following a Note Tax Event*), Interest Proceeds, Principal Proceeds and the net proceeds of enforcement of the security over the Collateral (other than with respect to any Counterparty Downgrade Collateral or amounts standing to the credit of the Interest Account which represent Hedge Issuer Tax Credit Payments which are required to be paid or returned to a Hedge Counterparty outside the Priorities of Payments in accordance with the Hedge Agreement and/or Condition 3(j)(v) (*Counterparty Downgrade Collateral Accounts*)) shall be credited to the Payment Account and shall be distributed in accordance with the following order of priority but in each case only to the extent that all payments of a higher priority have been made in full (the "**Post-Acceleration Priority of Payments**"):

(A) to the payment of taxes owing by the Issuer accrued (other than the Issuer Profit Amount referred to below), as certified by an Authorised Officer of the Issuer to the Trustee, if any, (save for any value added tax payable in respect of any Collateral Management Fee or any other tax payable in relation to any amount payable to the Secured Parties); and to the payment of the Issuer Profit Amount, for deposit into the Issuer Dutch 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 upon an acceleration of the Notes in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply in respect of such Trustee Fees and Expenses;

(C) to the payment of Administrative Expenses in the priority stated in the definition thereof up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less any amounts paid pursuant to paragraph (B) above, provided that upon an acceleration of the Notes

in accordance with Condition 10(b) (*Acceleration*) the Senior Expenses Cap shall not apply in respect of amounts payable under paragraph (a) of the definition of Administrative Expenses;

(D) to the payment:

(1) *firstly*, on a *pro rata* basis to the Collateral Manager of the Senior Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Senior Collateral Management Amounts; and

(2) *secondly*, to the Collateral Manager, any previously due and unpaid Senior 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),

(E) to the payment, on a *pro rata* basis, of (i) any Scheduled Periodic Hedge Issuer Payments (to the extent not paid out of the Currency Account or the Interest Account), (ii) any Currency Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Currency Hedge Termination Payments), and (iii) any Interest Rate Hedge Issuer Termination Payments (to the extent not paid out of the Hedge Termination Account and other than Defaulted Interest Rate Hedge Termination Payments);

(F) to the payment on a *pro rata* and *pari passu* basis of all Interest Amounts due and payable on the Class A Notes;

(G) to the redemption on a *pro rata* and *pari passu* basis of the Class A Notes, until the Class A Notes have been redeemed in full;

(H) to the payment on a *pro rata* basis of all Interest Amounts due and payable on the Class B Notes;

(I) to the redemption on a *pro rata* basis of the Class B Notes, until the Class B Notes have been redeemed in full;

(J) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class C Notes;

(K) to the payment on a *pro rata* basis of any Deferred Interest on the Class C Notes;

(L) to the redemption on a *pro rata* basis of the Class C Notes, until the Class C Notes have been redeemed in full;

(M) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class D Notes;

(N) to the payment on a *pro rata* basis of any Deferred Interest on the Class D Notes;

(O) to the redemption on a *pro rata* basis of the Class D Notes, until the Class D Notes have been redeemed in full;

(P) to the payment on a *pro rata* basis of the Interest Amounts (excluding any Deferred Interest, but including interest on Deferred Interest) due and payable on the Class E Notes;

(Q) to the payment on a *pro rata* basis of any Deferred Interest on the Class E Notes;

(R) to the redemption on a *pro rata* basis of the Class E Notes, until the Class E Notes have been redeemed in full;

(S) to the payment of Trustee Fees and Expenses (if any) not paid under paragraph (B) above by reason of the Senior Expenses Cap;

(T) to the payment of Administrative Expenses not paid under paragraph (C) above by reason of the Senior Expenses Cap (if any), in relation to each item thereof, on a *pro rata* basis;

(U) to the payment:

(1) *firstly*, to the Collateral Manager of the Subordinated Management Fee due and payable on such Payment Date and any value added tax in respect thereof (whether payable to the Collateral Manager or directly to the relevant taxing authority) save for any Deferred Subordinated Collateral Management Amounts;

(2) *secondly*, to the Collateral Manager of any previously due and unpaid Subordinated Management Fee (other than 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*, 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;

(V) to the payment on a *pari passu* and *pro rata* basis of any Defaulted Currency Hedge Termination Payments due to any Currency Hedge Counterparty or Defaulted Interest Rate Hedge Termination Payment due to an Interest Rate Hedge Counterparty (in each case to the extent not paid out of the Hedge Termination Account or any relevant Counterparty Downgrade Collateral Account);

(W) subject to the Incentive Collateral Management Fee IRR Threshold having been reached (after taking into account all prior distributions to Subordinated Noteholders and any distributions to be made to Subordinated Noteholders on such Payment Date, including pursuant to paragraph (X) below) to the payment to the Collateral Manager of 10 per cent. of any remaining proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) in payment of an Incentive Collateral Management Fee; and

(X) any remaining proceeds to the payment on the Subordinated Notes on a *pro rata* basis (determined upon redemption in full thereof by reference to the proportion that the principal amount of the Subordinated Notes held by Subordinated Noteholders bore to the Principal Amount Outstanding of the Subordinated Notes immediately prior to such redemption).

(c) *Only Trustee to Act*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders or, in respect of the Collateral, of any of the other Secured Parties under the Trust Deed and the Notes and no Noteholder or other Secured Party may proceed directly against the Issuer or any of its assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period after having received notice of such failure and such failure or neglect continues for at least 30 days following receipt of such notice by the Trustee. After realisation of the security which has become enforceable and distribution of the net proceeds in accordance with the Priorities of 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 or Collateral Manager*

Upon any sale of any part of the Collateral following the acceleration of the Notes under Condition 10(b), whether made under the power of sale under the Trust Deed or by virtue of judicial proceedings, any Noteholder, the Collateral Manager or any of its Affiliates 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, had the purchase price been paid in cash, is equal to or exceeds such purchase price.

12. Prescription

Claims in respect of principal and interest payable on redemption in full of the relevant Notes will become void unless presentation for payment is made as required by Condition 7 (*Redemption and Purchase*) within a period of five years, in the case of interest, and ten years, in the case of principal, from the date on which payment is respect of such Notes is received by the Principal Paying Agent.

13. Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Transfer Agent, subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Provisions in Trust Deed*

The Trust Deed contains provisions for convening meetings of the Noteholders (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

(b) *Decisions and Meetings of Noteholders*

(i) *General*

Decisions may be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution or Written Resolution, in each case, either acting together (subject as provided in paragraph (ix) below) or, to the extent specified in any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer, the Trustee or by one or more Noteholders holding not less than 10 per cent. in principal amount of the Notes Outstanding of a particular Class, subject to certain conditions including minimum notice periods. Where decisions are required to be taken by a Written Resolution of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 14(b)(iv) (*Written Resolution*) below.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to S&P and Fitch in writing.

(ii) *Quorum*

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, or at any adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below.

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of all Noteholders (or a certain Class or Classes only)	One or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes (or 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 relevant Class or Classes only, if applicable)	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes (or the relevant Class or Classes only, if applicable)

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(iii) *Minimum Voting Rights*

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of all Noteholders (or of a certain Class or Classes only)	Not less than $66^{2}/_{3}$ per cent.
Ordinary Resolution of all Noteholders (or of a certain Class or Classes only)	More than 50 per cent.

(iv) *Written Resolutions*

Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such Written Resolution shall be the date on which the latest such document is signed. Any

Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(v) *All Resolutions Binding*

Subject to Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*) and in accordance with the Trust Deed, any Resolution of the Noteholders (including any resolution of a specified Class or Classes of Noteholders, where the resolution of one or more other Classes is not required) duly passed shall be binding on all Noteholders (regardless of Class and regardless of whether or not a Noteholder was present at the meeting at which such Resolution was passed).

(vi) *Extraordinary Resolution*

Any Resolution to sanction any of the following items will be required to be passed by an Extraordinary Resolution (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable):

(A) any modification of any Transaction Document having a material adverse effect on the security over the Collateral constituted by the Trust Deed;

(B) any item requiring approval by Extraordinary Resolution pursuant to these Conditions or any Transaction Document;

(C) any other provision of these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class Outstanding;

(D) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(E) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated);

(F) the modification of any of the provisions of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note;

(G) the adjustment of the outstanding principal amount of the Notes Outstanding of the relevant Class;

(H) a change in the currency of payment of the Notes of a Class;

(I) any change in the Priorities of Payments or of any payment items in the Priorities of Payments;

(J) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution

(K) any modification to the Collateral Quality Tests, Portfolio Profile Tests, Reinvestment Criteria or Eligibility Criteria and all related definitions (excluding any amendments to, or the creation of, Fitch Test Matrices or S&P Matrices in accordance with Condition 14(c)(xii) (*Modification and Waiver*)); and

(L) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*),

each, a "**Basic Terms Modification**".

(vii) *Ordinary Resolution*

Any meeting of the Noteholders shall (in each case, subject to anything else specified in the Trust Deed, the Collateral Management and Administration Agreement or the relevant Transaction Document, as applicable) have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (vi) (*Extraordinary Resolution*) above.

(viii) *Resolutions affecting Other Classes*

If and for so long as any Notes of more than one Class are Outstanding, in relation to any Meeting of Noteholders:

(a) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects only the Notes of a Class or Classes (the "**Affected Class(es)**"), but not another Class or Classes, as the case may be, shall be duly passed if passed at a meeting or meetings of the holders of the Notes of the Affected Class(es) and such Resolution shall be binding on all the Noteholders, including the holders of Notes which are not an Affected Class;

(b) subject to paragraphs (c) and (d) below, a Resolution which in the opinion of the Trustee affects the Notes of each Class shall be duly passed only if passed at meetings of the Noteholders of each Class;

(c) a Resolution passed by the Controlling Class to exercise any rights granted to them pursuant to the Conditions or any Transaction Document shall be duly passed if passed at a meeting of the Controlling Class and such Resolution shall be binding on all the Noteholders; and

(d) a Resolution passed by the Subordinated Noteholders to exercise the rights granted to them pursuant to the Conditions shall be passed if passed only at a meeting of the Subordinated Noteholders and such resolution shall be binding on all of the Noteholders.

(ix) *No Voting Rights*

Any Notes held by or on behalf of the Collateral Manager or any of its Affiliates:

(i) will have no voting rights with respect to any vote (or written direction or consent) in connection with:

(a) the removal of the Collateral Manager for "cause" pursuant to the Collateral Management and Administration Agreement;

(b) the removal of the Collateral Manager without "cause" pursuant to the Collateral Management and Administration Agreement;

(c) the appointment of a successor Collateral Manager;

(d) the assignment or delegation by the Collateral Manager of its obligations under the Collateral Management and Administration Agreement; or

(e) a redemption of the Notes at the option of the Subordinated Noteholders pursuant to Conditions 7(b)(i)(A) (*Optional Redemption – Subordinated Noteholders*); and

(ii) will be deemed not to be Outstanding in connection with any such vote,

provided, however, that any Notes held by the Collateral Manager and/or its Affiliates will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote. Immediately prior to any such vote (or written direction or consent) the Collateral Manager shall notify the Issuer and the Trustee of the aggregate outstanding principal amount of any Notes held by the Collateral Manager and each of its Affiliates at the time of such notification.

(c) *Modification and Waiver*

The Trust Deed and the Collateral Management and Administration Agreement both provide that, without the consent of the Noteholders (other than as otherwise provided in paragraphs (x) and (xviii)(B) below), the Issuer may amend, modify, supplement and/or waive the relevant provisions of the Trust Deed and/or the Collateral Management and Administration Agreement and/or any other Transaction Document (subject to the consent of the other parties thereto) (as applicable) and the Trustee shall consent to (without the consent of the Noteholders) such amendment, supplement, modification or waiver, subject as provided below (other than in the case of an amendment, modification, supplement or waiver, pursuant to paragraphs (xi) or (xiii) below, which shall be subject to the prior written consent of the Trustee in accordance with the relevant paragraph), for any of the following purposes:

(i) to add to the covenants of the Issuer for the benefit of the Noteholders;

(ii) to charge, convey, transfer, assign, mortgage or pledge any property to or with the Trustee;

(iii) to correct or amplify the description of any property at any time subject to the security of the Trust Deed, or to better assure, convey and confirm unto the Trustee any property subject or required to be subject to the security of the Trust Deed (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or 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 Main Securities Market of the Irish Stock Exchange or any other exchange;

(vi) to amend, modify, enter into, accommodate the execution or facilitate the transfer by the relevant Hedge Counterparty of any Hedge Agreement upon terms satisfactory to the Collateral Manager and subject to receipt of Rating Agency Confirmation;

(vii) save as contemplated in paragraph (d) (*Substitution*) below, to take any action advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments;

(viii) to take any action advisable to prevent the Issuer from being treated as resident in the UK or Ireland for UK or Irish tax purposes, as trading in the UK or Ireland for UK or Irish tax purposes or as subject to UK value added tax in respect of any Collateral Management Fees;

(ix) to take any action advisable to prevent the Issuer from being treated as engaged in a United States trade or business or otherwise be subject to United States federal, state or local income tax on a net income basis;

(x) to enter into any additional agreements not expressly prohibited by the Trust Deed or the Collateral Management and Administration Agreement (as applicable), provided that (x) any such additional agreements include customary limited recourse and non-petition provisions and (y) the consent of the Controlling Class and the Subordinated Noteholders in each case acting by Ordinary Resolution has been obtained;

(xi) to make any other modification of any of the provisions of any 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;

(xii) to modify, amend or complete any components of the Fitch Test Matrix or the S&P Matrix and to create new Fitch Test Matrices and/or S&P Matrices, in each case subject to receipt of Rating Agency Confirmation from Fitch or S&P, as applicable;

(xiii) to make any other modification, and/or give any waiver or authorisation of any breach or proposed breach, of any of the provisions of any 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 or any other Transaction Document to enable the Issuer to comply with EMIR, the AIFMD or the Dodd-Frank Act (in each case, including any implementing regulation, technical standards and guidance related thereto) or FATCA (or any voluntary agreement entered into with a taxation authority pursuant thereto) subject to receipt by the Trustee of a certificate of the Issuer (upon which certificate the Trustee may rely absolutely) certifying to the Trustee that the relevant amendments are to be made solely for the purpose of enabling the Issuer, the Collateral Manager and/or the relevant Hedge Counterparty (as applicable) to satisfy its requirements under EMIR, the AIFMD, Dodd-Frank or FATCA (as applicable);

(xvi) to make any changes necessary to issue any replacement notes in accordance with Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*) and Condition 7(b)(iii)(B) (*Consequential Amendments*);

(xvii) to modify the Transaction Documents in order to comply with Rule 17g-5 of the Exchange Act;

(xviii) without prejudice to the ability to modify, amend or complete the Fitch Test Matrix and the S&P Matrix and to create new Fitch Test Matrices and/or S&P Matrices in accordance with paragraph (xii) above, to modify the terms of the Transaction Documents in order that they may be consistent with the requirements of the Rating Agencies, including to address any change in the rating methodology employed by either Rating Agency, in a manner that an officer of the Collateral Manager certifies to the Trustee would not materially adversely affect the interests of the Noteholders of the Notes of any Class, subject to:

(A) receipt by the Trustee of Rating Agency Confirmation in respect of the Rated Notes from each Rating Agency then rating the Rated Notes (upon which certification and confirmation the Trustee shall be entitled to rely); and

(B) the Issuer notifying the Controlling Class in accordance with the Conditions not less than 40 calendar days prior to making any such modification and such modification not being objected to within 40 calendar days of such notice by Noteholders representing 10 per cent. or more in aggregate principal amount outstanding of the Controlling Class (including, for the avoidance of doubt any such objection in circumstances where failure to make such modification may result in a downgrade in the rating of any Class of Notes);

(xix) to make any other modification of any of the provisions of the Trust Deed, the Collateral Management and Administration Agreement or any other Transaction Document to comply with changes in the Retention Requirements;

(xx) to make such changes as shall be necessary to facilitate the Issuer to effect a Refinancing in accordance with Condition 7(b)(iii) (*Optional Redemption effected through Refinancing*);

(xxi) to make such changes as are necessary to facilitate the transfer of any Hedge Agreement to a replacement counterparty or the roles of any Agent to a replacement agent, in each case in

circumstances where such Hedge Counterparty or Agent does not satisfy the applicable Rating Requirement and subject to such replacement counterparty or agent (as applicable) satisfying the applicable requirements in the Transaction Documents; and

(xxii) to amend, modify or supplement any Hedge Agreement subject to receipt of Rating Agency Confirmation or such Hedge Agreement being a Form Approved Hedge following such amendment to the extent necessary to allow the Issuer or the relevant Hedge Counterparty to comply with any enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation (or in the application or official interpretation of any law or regulation) that occurs after the parties enter into the Hedge Agreement,

provided that the implementation of any such modification in accordance with this Condition 14(c) (*Modification and Waiver*) shall require sanction by way of an Extraordinary Resolution in accordance with Condition 14(b)(vi) (*Extraordinary Resolution*) if such modification constitutes a Basic Terms Modification.

Any such modification, authorisation or waiver shall be binding upon the Noteholders and shall be notified by the Issuer as soon as practicable following the execution of any supplemental trust deed or any other modification, authorisation or waiver pursuant to this Condition 14(c) (*Modification and Waiver*) to:

(A) each Rating Agency, so long as any of the Rated Notes remain Outstanding; and

(B) the Noteholders in accordance with Condition 16 (*Notices*).

Notwithstanding anything to the contrary herein and in the Trust Deed, the Issuer shall not agree to amend, modify or supplement any provisions of the Transaction Documents if, in the reasonable opinion of the Issuer, such change shall have a material adverse effect on the rights of the Hedge Counterparty without the Hedge Counterparty's prior written consent or on the Collateral Manager without the Collateral Manager's consent. The Issuer agrees that it shall notify each Hedge Counterparty of any amendment made to any Transaction Document in accordance with the relevant Hedge Agreement and, if required pursuant to the terms of such Hedge Agreement, will obtain the prior consent of such Hedge Counterparty prior to effecting such amendment.

For the avoidance of doubt, the Trustee shall, without the consent or sanction of any of the Noteholders (other than as otherwise provided in paragraph (x) and (xviii)(B) above) or any other Secured Party, concur with the Issuer, in making any modification, amendment, waiver or authorisation which the Issuer certifies to the Trustee (upon which certification the Trustee is entitled to rely) is required pursuant to the paragraphs above (other than a modification, waiver or authorisation pursuant to paragraphs (xi) or (xiii) above in which the Trustee may, without the consent or sanction of any of the Noteholders or any other Secured Party, concur with the Issuer) to the Transaction Documents, provided that the Trustee shall not be obliged to agree to any modification or any other matter which, in the opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Trustee in respect of the Transaction Documents.

In the case of a request for consent to a modification, amendment, waiver or authorisation pursuant to paragraphs (xi) and (xiii) above, 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 (if applicable or required) as it sees fit.

(d) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require (without the consent of the Noteholders of any Class), to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes of each Class, if required for taxation purposes, provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any Class. In the case of such a

substitution the Trustee may agree, without the consent of the Noteholders, but subject to receipt of Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agency may require), to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders of any Class. Any substitution agreed by the Trustee pursuant to this Condition 14(d) (*Substitution*) shall be binding on the Noteholders, and shall be notified by the Issuer to the Noteholders as soon as practicable in accordance with Condition 16 (*Notices*).

The Trustee may, subject to the satisfaction of certain conditions specified in the Trust Deed, including receipt of Rating Agency Confirmation, agree to a change in the place of residence of the Issuer for taxation purposes without the consent of the Noteholders of any Class, provided the Issuer does all such things as the Trustee may reasonably 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 Main Securities Market of the Irish Stock Exchange any material amendments or modifications to the Conditions, the Trust Deed or such other conditions made pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) shall be notified to the Irish Stock Exchange.

(e) *Entitlement of the Trustee and Conflicts of Interest*

In connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition 14(e) (*Entitlement of the Trustee and Conflicts of Interest*)), the Trustee shall have regard to the interests of each Class of Noteholders as a Class and shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*).

The Trust Deed provides that in the event of any conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Subordinated Notes, the interests of the holders of the Controlling Class will prevail. If the holders of the Controlling Class do not have an interest in the outcome of the conflict, the Trustee shall give priority to the interests of (i) Class B Noteholders over the Class C Noteholders, the Class D Noteholders, Class E Noteholders and the Subordinated Noteholders, (ii) the Class C Noteholders over the Class D Noteholders, Class E Noteholders and the Subordinated Noteholders, (iii) the Class D Noteholders over the Class E Noteholders and the Subordinated Noteholders, and (iv) the Class E Noteholders over the Subordinated Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class, given priority as described in this paragraph, each representing less than the majority by principal amount of such Class, the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. The Trust Deed provides further that, except as expressly provided otherwise in any applicable Transaction Document or these Conditions, the Trustee will act upon the directions of the holders of the Controlling Class (or other Class where the holders of the Class or Classes having priority over such other Class do not have an interest in the subject matter of such directions) (in each case acting by Extraordinary Resolution) subject to being indemnified and/or secured and/or prefunded to its satisfaction, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes, provided that such action is consistent with the applicable law and with all other provisions of the Trust Deed.

In addition, the Trust Deed provides that, so long as any Note is Outstanding, the Trustee shall have no regard to the interests of any Secured Party other than the Noteholders or, at any time, to the interests of any other person.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances, including provisions relieving it from instituting proceedings to

enforce repayment or to enforce the security constituted by or pursuant to the Trust Deed, unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any other party to any Transaction Document and any entity related to the Issuer or any other party to any Transaction Document without accounting for any profit. The Trustee is exempted from any liability in respect of any loss or theft of the Collateral from any obligation to insure, or to monitor the provisions of any insurance arrangements in respect of, the Collateral (for the avoidance of doubt, under the Trust Deed the Trustee is under no such obligation) and from any claim arising from the fact that the Collateral is held by the Custodian or is otherwise held in safe custody by a bank or other custodian. The Trustee shall not be responsible for the performance by the Custodian of any of its duties under the Agency and Account Bank Agreement or for the performance by the Collateral Manager of any of its duties under the Collateral Management and Administration Agreement, for the performance by the Collateral Administrator of its duties under the Collateral Management and Administration Agreement or for the performance by any other person appointed by the Issuer in relation to the Notes or by any other party to any Transaction Document. The Trustee shall not have any responsibility for the administration, management or operation of the Collateral including the request by the Collateral Manager to release any of the Collateral from time to time.

The Trust Deed contains provisions for the retirement of the Trustee and the removal of the Trustee by Extraordinary Resolution of the Controlling Class, but no such retirement or removal shall become effective until a successor trustee is appointed.

16. Notices

Notices to Noteholders will be valid if posted to the address of such Noteholder appearing in the Register at the time of publication of such notice by pre paid, first class mail (or any other manner approved by the Trustee which may be by electronic transmission) and (for so long as the Notes are listed on the Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require) shall be sent to the Company Announcements Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require. Any such notice shall be deemed to have been given to the Noteholders (a) in the case of inland mail three days after the date of dispatch thereof, (b) in the case of overseas mail, seven days after the dispatch thereof or, (c) in the case of electronic transmission, on the date of dispatch.

Notices will be valid and will be deemed to have been given, for so long as the Notes are admitted to trading on the Irish Stock Exchange, when such notice is filed in the Company Announcement Office of the Irish Stock Exchange or such other process as the Irish Stock Exchange may require.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or a category of them) if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

17. Third Party Rights

No person shall have any right to enforce any term or Condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law

(a) *Governing Law*

The Trust Deed and each Class of Notes and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Trust Deed or any Class of Notes are governed by and shall be construed in accordance with English law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer appoints Structured Finance Management Limited (having an office, at the date hereof, at 35 Great St. Helen's, London, EC3A 6AP United Kingdom) as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein shall affect the right to service of process in any other manner permitted by law.

USE OF PROCEEDS

The estimated net proceeds of the issue of the Notes after payment of fees payable on or about the Issue Date are expected to be approximately € 301,786,285. The Issuer will use such proceeds (a) to pay certain fees and expenses and/or transfer funds to the Expense Reserve Account to meet such fees and expenses and (b) to acquire Collateral Obligations complying with the Eligibility Criteria and the other requirements of the Collateral Management and Administration Agreement during the Initial Investment Period.

FORM OF THE NOTES

References below to Notes and to the Global Certificates and the Definitive Certificates representing such Notes are to each respective Class of Notes, except as otherwise indicated.

Initial Issue of Notes

The Regulation S Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) will be represented on issue by a Regulation S Global Certificate deposited with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Regulation S Global Certificate may be held at any time only through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". Beneficial interests in a Regulation S Global Certificate may not be held by a U.S. Person or U.S. Resident at any time. By acquisition of a beneficial interest in a Regulation S Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest only to (a) a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (b) to a QIB/QP who takes delivery in the form of an interest in a Rule 144A Global Certificate. See "*Transfer Restrictions*".

The Rule 144A Notes of each Class (other than, in certain circumstances, the Subordinated Notes as described below) will be represented on issue by a Rule 144A Global Certificate deposited with, and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Rule 144A Global Certificate may only be held at any time through Euroclear or Clearstream, Luxembourg. See "*Book Entry Clearance Procedures*". By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to represent, amongst other things, that it is a QIB/QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Trust Deed. See "*Transfer Restrictions*".

Beneficial interests in Global Certificates will be subject to certain restrictions on transfer set forth therein and in the Trust Deed and as set forth in Rule 144A, and the Notes will bear the applicable legends regarding the restrictions set forth under "*Transfer Restrictions*". In the case of each Class of Notes, a beneficial interest in a Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate in denominations greater than or equal to the minimum denominations applicable to interests in such Rule 144A Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) to the effect that the transferor reasonably believes that the transferee is a QIB/QP and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Certificates may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate only upon receipt by the Transfer Agent of a written certification (in the form provided in the Trust Deed) from the transferor to the effect that the transfer is being made to a non-U.S. Person and in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate will, upon transfer, cease to be an interest in such Regulation S Global Certificate and become an interest in the Rule 144A Global Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate for as long as it remains such an interest. Any beneficial interest in a Rule 144A Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate will, upon transfer, cease to be an interest in a Rule 144A Global Certificate and become an interest in the Regulation S Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in a Regulation S Global Certificate for so long as it remains such an interest. No service charge will be made for any registration of transfer or exchange of Notes, but the Transfer Agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except in the limited circumstances described below, owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of certificated Notes.

A transferee of a Subordinated Note in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate will be deemed to represent (among other things) that it is not a Benefit Plan Investor or a Controlling Person. If a transferee is unable to make such deemed representation, such transferee may not acquire such Subordinated Note in the form of a Rule 144A Global Note or Certificate or a Regulation S Global Note or Certificate unless such transferee: (i) obtains the written consent of the Issuer; (ii) provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person (substantially in the form of Annex B); and (iii) unless the written consent of the Issuer to the contrary is obtained, holds such Subordinated Note in the form of a Definitive Note or Certificate. Any Subordinated Note in the form of a Definitive Note or 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 in definitive form (See "*Terms and Conditions*"). The following is a summary of those provisions:

- *Payments* – Payments of principal and interest in respect of Notes represented by a Global Certificate will be made to the registered holder and, if no further payment falls to be made in respect of the relevant Notes, upon surrender of such Global Certificate to or to the order of the Principal Paying Agent or the Transfer Agent as shall have been notified to the relevant Noteholders for such purpose. On each occasion on which a payment of interest (unless the Notes represented thereby do not bear interest) or principal is made in respect of the relevant Global Certificate, the Registrar shall note the same in the Register and cause the aggregate principal amount of the Notes represented by a Global Certificate to be decreased accordingly.

- *Notices* – So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for delivery thereof as required by the Conditions of such Notes provided that such notice is also made to the Company Announcements Office of the Irish Stock Exchange for so long as such Notes are listed on the Main Securities Market of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require. Such notice will be deemed to have been given to the Noteholders on the date of delivery of the relevant notice to the relevant clearing system.

- *Prescription* – Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Certificate will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the date on which any payment first becomes due.

- *Meetings* – The holder of each Global Certificate will be treated as being one person for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Certificate may be exchanged.

- *Trustee's Powers* – In considering the interests of Noteholders while the Global Certificates are held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to each Global Certificate and may consider such interests as if such account holders were the holders of any Global Certificate.

- *Cancellation* – Cancellation of any Note required by the Terms and Conditions to be cancelled will be effected by reduction in the principal amount of the Notes on the Register, with a corresponding notation made on the applicable Global Certificate.

- *Optional Redemption* – The Subordinated Noteholders' and the Controlling Class' option in Condition 7(b) (*Optional Redemption*) and Condition 7(g) (*Redemption following Note Tax Event*) may be exercised by the Subordinated Noteholders 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 such Definitive Certificate or Global Certificate for endorsement of exercise within the time limit specified in Condition 7(b) (*Optional Redemption*).

- *Record Date* – The Record Date will mean the close of business on the Clearing System Business day before the relevant due date for payment of principal and interest in respect of such security.

Exchange for Definitive Certificates

Exchange

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Definitive Exchange Date (as defined below), in whole but not in part, for Definitive Certificates if a Global Certificate is held (directly or indirectly) on behalf of Euroclear, Clearstream, Luxembourg or an alternative clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so.

In addition, interests in Global Certificates representing Class E Notes or Subordinated Notes may be exchangeable for interests in a Definitive Note or Certificate representing the Class E Notes or Subordinated Note if a transferee is acting on behalf of a Benefit Plan Investor or is a Controlling Person provided: (i) such transferee has obtained the consent of the Issuer in respect of such transfer; and (ii) the transferee has provided the Issuer with a certification substantially in the form of Schedule 8 to the Trust Deed (*Form of ERISA Certificate*).

Interests in Global Certificates representing Class E Notes or Subordinated Notes may be exchangeable for interests in Definitive Notes or Certificates representing Class E Notes or Subordinated Notes in accordance with the Conditions as amended above.

The Registrar will not register the transfer of, or exchange of interests in, a Global Certificate for Definitive Certificates during the period from (but excluding) the Record Date to (and including) the date for any payment of principal or interest in respect of the Notes.

If only one of the Global Certificates (the "**Exchanged Global Certificate**") becomes exchangeable for Definitive Certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Definitive Certificates issued in exchange for beneficial interests in the Exchanged Global Certificate and, on the other hand, persons wishing to purchase beneficial interests in the other Global Certificate.

"**Definitive Exchange Date**" means a day falling not less than 30 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar and the Transfer Agent is located.

Delivery

In 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 Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. A person having an interest in a Global Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (b) in the case of the Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Certificates

issued in exchange for a beneficial interest in the Rule 144A Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under "*Transfer Restrictions*" below.

Legends

The holder of a Subordinated Note 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 the Transfer Agent, together with the completed form of transfer and to the extent applicable, consent of the Issuer and a duly completed ERISA Certificate substantially in the form of Annex B. Upon the transfer, exchange or replacement of a Subordinated Note 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 Subordinated Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. With the written consent of the Issuer, a Subordinated Note in the form of a Definitive Certificate may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate or a Regulation S Global Certificate, subject to all transfer restrictions and other procedures applicable to beneficial interests in a Rule 144A Global Certificate or a Regulation S Global Certificate (as applicable).

BOOK ENTRY CLEARANCE PROCEDURES

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Collateral Manager, the Arrangers, the Joint Lead Managers, the Bookrunner or any Agent party to the Agency and Account Bank Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

Euroclear and Clearstream, Luxembourg

Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Notes and cross-market transfers of the Notes associated with secondary market trading (See "*Settlement and Transfer of Notes*" below).

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in such Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

Book Entry Ownership

Euroclear and Clearstream, Luxembourg

Each Regulation S Global Certificate and each Rule 144A Global Certificate will have an ISIN and a Common Code and will be registered in the name of a nominee of a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common 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 SECURITIES

General

It is a condition of the issue and sale of the Notes that the Notes (except for the Subordinated Notes) be issued with at least the following ratings: the Class A Notes "AAA(sf)" from S&P and "AAAsf" from Fitch; the Class B Notes: "AA(sf)" from S&P and "AAsf" from Fitch; the Class C Notes: "A(sf)" from S&P and "Asf" from Fitch; the Class D Notes: "BBB(sf)" from S&P and "BBBsf" from Fitch; and the Class E Notes: "BB(sf)" from S&P and "BBsf" 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, Class D Notes and Class E Notes address the ultimate payment of principal and interest.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the applicable rating agency.

As of the date of this Offering Circular, each of the Rating Agencies and Moody's Investors Service Ltd is established in the European Union ("**EU**") and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). As such each Rating Agency and Moody's Investors Service Ltd are included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation. Moody's Investor Service, Inc. is not established in the European Union and is not registered in accordance with the CRA Regulation. Moody's Investor Service, Inc. is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

S&P Ratings

S&P is expected to rate the Rated Notes in accordance with its published criteria. This requires an analysis of the following:

(a) the credit quality of the portfolio of Collateral Obligations securing the Notes;

(b) the cash flow used to pay liabilities and the priorities of these payments; and

(c) legal considerations.

Based on these analyses, S&P determines the necessary level of credit enhancement needed to achieve a desired rating. In this connection, the S&P CDO Monitor Test is applied prior to the end of the Reinvestment Period.

S&P's analysis includes the application of its proprietary default expectation computer model (the "**CDO Monitor**"), which is used to estimate the default rate S&P projects the Portfolio is likely to experience and which will be provided to the Collateral Manager on or before the Issue Date. The CDO Monitor calculates the cumulative default rate of a pool of Collateral Obligations and Eligible Investments consistent with a specified benchmark rating level based upon S&P's proprietary corporate debt default studies. The CDO Monitor takes into consideration the rating of each Obligor, the number of Obligors, the Obligor industry and regional concentration and the remaining weighted average maturity of each of the Collateral Obligations included in the Portfolio. The risks posed by these variables are accounted for by effectively adjusting the necessary default level needed to achieve a desired rating. The higher the desired rating, the higher the level of defaults the Portfolio must withstand. For example, the higher the Obligor industry concentration or the longer the weighted average maturity, the higher the default level is assumed to be.

Credit enhancement to support a particular rating is then provided on the results of the CDO Monitor, as well as other more qualitative considerations such as legal issues and management capabilities. Credit enhancement is typically provided by a combination of over collateralisation/subordination, cash collateral/reserve account, excess spread/interest and amortisation. A cash flow model (the "**Transaction Specific Cash Flow Model**") is used to

evaluate the portfolio and determine whether it can comfortably withstand the estimated level of default while fully repaying the class of debt under consideration.

There can be no assurance that actual losses on the Collateral Obligations will not exceed those assumed in the application of the CDO Monitor or that recovery rates and the timing of recovery with respect thereto will not differ from those assumed in the Transaction Specific Cash Flow Model. None of S&P, the Issuer, the Collateral Manager, the Collateral Administrator, the Trustee the Arrangers, the Joint Lead Managers or the Bookrunner makes any representation as to the expected rate of defaults on the Portfolio or as to the expected timing of any defaults that may occur.

S&P's ratings of the Rated Notes will be established under various assumptions and scenario analyses. There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by S&P in its analysis, or that recovery rates with respect thereto (and, consequently, loss rates) will not differ from those assumed by S&P.

Fitch Ratings

The ratings assigned to the Rated Notes by Fitch are based upon Fitch's statistical analysis of historical default rates on debt obligations with similar characteristics to the Collateral Obligations and the various eligibility requirements that the Collateral Obligations are required to satisfy.

Fitch analyses the likelihood that each Collateral Obligation will default, based on historical default rates for similar debt obligations, the historical volatility of such default rates (which increases as 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 Ratings of the Rated Notes were established under various assumptions and scenarios.

There can be no assurance that actual defaults on the Collateral Obligations will not exceed those assumed by Fitch in its analysis, or that recovery rates with respect thereto (and consequently loss rates) will not differ from those assumed by Fitch.

In addition to those quantitative tests, Fitch Ratings take into account qualitative features of a transaction, including the experience of the Collateral Manager the legal structure and the risks associated with such structure and other factors that Fitch deems relevant.

THE ISSUER

General

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated with the name of North Westerly CLO IV 2013 B.V. under the laws of The Netherlands on 18 November 2013 for an indefinite period having its corporate seat in Amsterdam, The Netherlands and its registered office at Claude Debussylaan 18, 1082 MD Amsterdam, The Netherlands. The Issuer is registered in the commercial register of the Chamber of Commerce and Industries for Amsterdam under number 59243996. The telephone number of the registered office of the Issuer is +31 (0) 206444558 and the facsimile number is +31 (0) 205222535.

Corporate Purpose of the Issuer

The Issuer is organised as a special purpose company and was established to raise capital by the issue of the Notes. The Articles of Association (the "**Articles**") of the Issuer dated 18 November 2013 (as currently in effect) provide under Clause 3 that the objects of the Issuer are:

(a) to raise funds through, *inter alia*, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the Issuer in, *inter alia*, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;

(b) to grant security for the Issuer's obligations and debts;

(c) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a) and (b); and

(d) to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b) and (c) above,

as well as to participate in, to manage and to finance other enterprises and companies, to provide security for the debts of third parties and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the widest sense.

Business Activity

Prior to the Issue Date, the Issuer has committed to purchase from NIBC Bank N.V. and certain other sellers certain Collateral Obligations (including, but not limited to, Collateral Obligations purchased pursuant to the Forward Purchase Agreement), such purchases to be settled on or following the Issue Date.

The Issuer has not previously carried on any business or activities other than those incidental to its incorporation, the authorisation and entry into of the Forward Purchase Agreement, 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 Transaction Documents and the other documents and agreements entered into in connection with the issue of the Notes and the purchase of the Portfolio.

Management

The current managing directors (the "**Directors**") are:

Name	Occupation	Business Address
Dirk Hendrik Bink	Director	Claude Debussylaan 18, 1082 MD Amsterdam
Jan Hendrik Oonk	Director	Claude Debussylaan 18, 1082 MD Amsterdam
Geert Kruizinga	Director	Claude Debussylaan 18, 1082 MD Amsterdam

Pursuant to the relevant Issuer Management Agreement, the Corporate Services Provider will be appointed to provide Directors to the Issuer and will, amongst other things, provide management, corporate and administrative services to the Issuer. The Trustee, on behalf of the Issuer, may terminate the relevant Issuer Management Agreement by giving not less than 14 days' written notice. The Corporate Services Provider may retire from its obligations pursuant to the relevant Issuer Management Agreement by giving at least two months' notice in writing to the Issuer. The Directors and the Corporate Services Provider have undertaken not to resign unless a suitable person, trust or administration office reasonably acceptable to the Trustee has been contracted to act as a Director and/or Corporate Services Provider (as applicable).

Director's Experience

Dirk Hendrik Bink is a director of Structured Finance Management (Netherlands) B.V. and a number of special purpose vehicles in the Netherlands, and the chief operational and financial officer of Structured Finance Management (Netherlands) B.V. He holds a degree in accounting from the Higher National Business School in Leiden.

Geert Kruizinga is a director and managing partner of Arcari Fund Solutions B.V. in the Netherlands and its subsidiary Arcari Fund Solutions (Luxembourg) S.à r.L in Luxembourg, and a former director of Structured Finance Management (Netherlands) B.V. He holds a degree in business administration from the Higher National Business School in Groningen.

Jan Hendrik Oonk is a manager of Structured Finance Management (Netherlands) B.V., with an extensive background in corporate services and auditing. He is a Dutch CPA (*registeraccountant*) with international accounting knowledge regarding structured finance arrangements.

Capital and Shares

The capital of the Issuer consists of one Share which has a nominal value of eighteen thousand euros (EUR 18,000) and is held by the Foundation.

Capitalisation

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

Share Capital	
Issued eighteen thousand ordinary registered shares of €1	€18,000
Loan Capital	
Class A-1 Notes	€161,000,000
Class A-2 Notes	€16,000,000
Class B-1 Notes	€27,000,000
Class B-2 Notes	€10,000,000
Class C Notes	€17,500,000
Class D Notes	€16,000,000
Class E Notes	€21,000,000
Subordinated Notes	€37,500,000
Total Capitalisation	€306,000,000

Indebtedness

The Issuer has no indebtedness as at the date of this Offering Circular other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated herein.

Holding Structure

The entire issued share capital of the Issuer is directly owned by Stichting North Westerly CLO IV 2013, a foundation (*stichting*) established under the laws of The Netherlands having its registered office at Claude Debussylaan 18, 1082 MD Amsterdam, The Netherlands (the "**Foundation**").

None of the Collateral Manager, the Collateral Administrator, the Trustee or any company Affiliated with any of them, directly or indirectly, owns any of the share capital of the Issuer. Structured Finance Management (Netherlands) B.V. is the sole director of the Foundation.

Pursuant to the terms of the relevant Issuer Management Agreement between the Foundation and the Corporate Services Provider, measures will be in put in place to limit and regulate the control which the Foundation has over the Issuer.

Subsidiaries

The Issuer has no subsidiaries.

Administrative Expenses of the Issuer

The Issuer is expected to incur certain Administrative Expenses.

Financial Statements

Since its date of incorporation, save as disclosed herein, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Offering Circular. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2014 The Issuer will not prepare interim financial statements. The financial year of the Issuer ends on 31 December in each year.

The auditors of the Issuer are PriceWaterhouse Coopers Accountants N.V., who are chartered accountants and are members of the *Koninklijk Nederlands Instituut van Registeraccountants* and registered auditors qualified in practice in The Netherlands.

DESCRIPTION OF THE COLLATERAL MANAGER

*The Issuer has accurately reproduced the information contained in the section entitled "Description of 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. . None of the Issuer, The Royal Bank of Scotland plc or any other party assumes any responsibility for the accuracy or completeness of such information. The delivery of this Offering Circular will not create any implication that there has been no change in the affairs of the Collateral Manager since the date of this Offering Circular, or that the information contained or referred to in this section is correct as of any time subsequent to the date of this Offering Circular.*NIBC Bank N.V. ("**NIBC Bank**") acts as the Collateral Manager on behalf of the Issuer. NIBC Bank was founded in 1945 by the Dutch government as Maatschappij tot Financiering van Nationaal Herstel, later renamed to De Nationale Investeringsbank N.V. In 1999, two of Europe's largest pension funds, Stichting Pensioenfonds ABP ("**ABP**") and Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen ("**PGGM**"), established a new joint venture, named NIB Capital N.V. for the purpose of a public tender offer for the shares of De Nationale Investeringsbank N.V, De Nationale Investeringsbank N.V. was consequently renamed NIB Capital Bank N.V.

In 2005 the shareholders ABP and PGGM signed a share and purchase agreement with a consortium of international financial institutions organised by J.C.Flowers & Co. LLC (the "**Consortium**") for the sale of 100 per cent. of the shares of NIB Capital N.V. On 14 December 2005, the Consortium acquired 100 per cent. of the share capital of NIB Capital Bank N.V. On 13 February 2006, the current name, NIBC Bank N.V. was introduced.

NIBC Bank is organised around two core activities: Corporate Banking and Consumer Banking, supported by Treasury, Corporate Center and Risk Management. It has approximately 620 (full time) employees with offices in The Hague, London, Frankfurt and Brussels. Its registered address is Carnegieplein 4, 2517 KJ, Den Haag, The Netherlands.

NIBC Bank is a banking group rated BBB-/BBB- by S&P and Fitch as at the date of this Offering Circular and provides a wide range of financial services to corporate and institutional clients as well as selected financial services to private individuals. NIBC Bank terminated its rating contract with Moody's on 27 March 2013. Moody's now rates NIBC Bank based upon publicly available information.

In the financial year ending 31 December 2012, NIBC Bank reported a net profit of €73 million and total assets at such date of €26.24 billion.

Biographies of Key Personnel

Eloy Cosijn
Chairman of the non-executive credit committee

Eloy is a senior member within the NIBC risk management function with prime focus on financial markets credit risk and market risk. He is a voting member of NIBC transaction committee, risk management committee and asset & liability committee, which decides on all credit, portfolio risk and ALCO related transactions for the bank. Prior to joining NIBC Bank N.V. in August 2009, Eloy was a senior manager with RBS group risk management responsible for the corporate portfolio and country risk. Before the acquisition by RBS, for 8 years, Eloy worked for the ABN AMRO's group risk management unit and fulfilled various risk assignments with delegated risk approval responsibility for, among others, the risk assessment of European corporates, non-bank financial institutions and for credit risk stemming from trading activities (the last two functions – with global coverage). For the14 years prior to that, Eloy was in various commercial roles including high yield capital markets, asset backed financing (covering airlines) and structured derivatives at the treasury. Eloy holds a master degree in economics from the University of Amsterdam.

Piet Zippro
Vice chairman of the non-executive credit committee

Piet is one of the most senior credit officers of NIBC and is currently the head of credit risk management and a voting member of NIBC transaction committee. Prior to 2012, he has been deputy head of credit risk management. Prior to 2001, he held various senior positions within NIBC, such as chief operating officer of corporate finance strategic business unit; member of corporate finance management committee; head of the business unit focusing on financing of medium sized companies. Between 1991 and 2000, Piet was deputy head of the business unit focusing on financing of industrial mid size and large companies. Prior to joining NIBC in 1991, Piet had spent 11 years with Amro Bank and ABN Amro Bank working in a variety of commercial banking roles from credit risk management to a branch manager.

Hein Bulter
Non-executive committee member

Hein manages the corporate credit portfolios including the liquidity portfolio within NIBC's Treasury department. Prior to joining NIBC in 2006, Hein worked at ING Bank for 3 years as a credit strategist. Hein holds a master degree in applied mathematics from the University of Twente.

Herman Guelovani, ACA
Portfolio manager and head of the North Westerly CLO team

Herman is head of portfolio management for the North Westerly CLO program and other NIBC funds, which have an exposure to the leveraged loan asset class. Prior to joining NIBC in April 2005, Herman was portfolio manager and senior credit analyst at ING Capital Management. Herman assisted in setting up the business in August 2000 and was involved in structuring and managing two of the earliest European leveraged loan CLOs - Copernicus I (2001) and Copernicus II (2003). Prior to that, between 1995 and 2000, Herman worked at NatWest Markets and Greenwich NatWest in a variety of investment banking and leveraged finance origination & syndication roles, most recently as associate director of leveraged loan syndications. Herman qualified as chartered accountant with Price Waterhouse (London) in 1995 and is a member of the Institute of Chartered Accountants in England and Wales. At Price Waterhouse, Herman was part of the audit and business advisory group for major international corporates in 1991-1995 and was involved in a number of corporate finance and corporate insolvency assignments. Herman has a first class degree in treasury management and accounting from the State Academy of Finance of the Russian Government.

Stuart Pirrie, ACA
Head of Credit

Stuart is head of credit for the North Westerly CLO program and NIBC Bank's other third party leveraged loan fund operations. Stuart is responsible for the investment assessment & selection, portfolio monitoring and debt restructuring activities of the North Westerly CLO Team. Stuart joined the team in April 2005. Prior to joining, Stuart worked for seven years at Grant Thornton Corporate Finance (part of the UK's fifth largest accountancy practice) providing financial due diligence services and advice to investors in European mid-market leveraged buy-out transactions. Stuart is registered under the FCA Approved Persons regime. He qualified as a chartered accountant in 2000 and is a member of the Institute of Chartered Accountants in England and Wales. He also holds a BSc in business economics and accounting from the University of Southampton.

Victor Ruitenberg
Head of portfolio monitoring

Victor is responsible for NIBC's leveraged finance portfolio monitoring activities. Victor has over 18 year experience of corporate and investment banking, gained within leading financial institutions across The Netherlands, Germany, and UK. Victor joined NIBC in 2001. Prior to his current role within NIBC, he has held positions in SME lending, corporate lending, trade & commodity finance, and debt capital markets distribution. He was also responsible for the successful start-up of NIBC's German Branch in Frankfurt in 2005. Prior to joining NIBC, he worked for ABN Amro Bank. He holds a law degree from University of Utrecht.

Pierre-Olivier Caumont
Senior credit analyst

Pierre-Olivier joined the North Westerly CLO Team in 2006. His key responsibilities include originating, analysing and executing new investment opportunities, monitoring existing assets as well as representing North Westerly CLO's interests on restructurings. Prior to joining the North Westerly CLO Team, he worked in the leveraged finance team of Bank of Ireland, where he invested in a number of mid and large-cap European leveraged loan transactions. Prior to that, he worked as a credit analyst at ING focusing on corporate investment grade and cross-over credit transactions. He also worked at San Paolo IMI in the M&A department. Pierre-Olivier has a master degree in finance from ESCP Europe, Paris, and is a graduate of IPAG Business School, Paris.

Benoit Franchet
Senior credit analyst

Benoit joined the North Westerly CLO team in 2006 from Kroll Talbot Hughes (ex- KPMG Restructuring) in Paris, a corporate advisory and turnaround specialist, where he was involved in a number of restructurings, IBRs and financial modelling assignments for leveraged companies. Prior to that, he worked at BNP Paribas Tokyo in internal audit specialising on credit projects. He also interned for a year at JP Morgan in Paris. Within the North Westerly CLO Team, his key responsibilities include originating, analysing and executing new investment opportunities, monitoring existing assets as well as representing North Westerly CLO's interests on restructurings. Benoit holds a master in management (finance major) from Audencia - Nantes Ecole de Management and a pre-Degree (DEUG) in law from Nancy University.

Philipp Bieber, CFA
Senior credit analyst

Philipp joined the North Westerly CLO Team in 2006 from Dresdner Bank AG, Frankfurt, where he worked for two years originating leveraged finance transactions, with particular focus on mid-market deals. Prior to that, he worked for the Royal Bank of Scotland in Frankfurt in corporate banking and structured finance. Philipp has extensive experience of originating, analysing, managing and, where necessary, restructuring European leveraged loan transactions. Philipp is a chartered financial analyst and has a masters degree in finance and accounting from Goethe University.

Mark Winkler
Senior credit analyst

Mark leads the leveraged finance portfolio monitoring team in Germany. Since 2006 Mark was an originator within NIBC Bank's Dutch and German leveraged finance teams. Mark joined NIBC Bank from Pon's Automobielhandel in 2001 as operating officer for the SBU corporate finance and became CFO of this SBU in 2005; in both roles he was involved in strategy, business development, finance and operations. He graduated in business administration from the Hogeschool Utrecht.

Terry Hyland
Senior credit analyst

Terry leads the leveraged finance portfolio monitoring team in London. Terry joined NIBC in 2006. Prior to joining, Terry was part of the acquisition finance team at Banca Nazionale del Lavoro in London where, in addition to European leveraged finance, he also managed the banks legacy US investments. Terry also spent 7 years at Ahli United Bank within the credit and infrastructure teams. Prior to this, Terry worked in the corporate banking division of NatWest where he was responsible for managing the relationship of a portfolio of SMEs.

Joanna Nicolaou
Credit analyst

Joanna joined NIBC in 2006 from The Bank of Tokyo Mitsubishi UFJ Ltd. where she worked in various areas of the bank. Her latest role was in the leverage finance portfolio team, managing several European leveraged transactions. Prior to this role she was an investment grade credit analyst primarily focusing on the Greek/Portuguese market and emerging market FI's (CEE and Russian). She also spent some time in the credit risk functions of the bank. Between 2000-2002, she worked for Bank of Cyprus (UK) covering SME's mainly in property financing. Joanna holds a BA (Hons) accountancy from Lincoln University.

Sarah Graham
Credit Analyst

Sarah joined NIBC in 2010 from BNP Paribas where she had been working with the leveraged finance team on both originating mid-market deals and portfolio management. Before the acquisition by BNP Paribas, Sarah worked for three years for the Fortis Bank's acquisition and leveraged finance team after initially joining Fortis Bank on the graduate programme in 2006. Sarah has a BSc (Hons) degree in economics from the University of Nottingham.

Hans Schoonman
Credit analyst

Hans joined NIBC in 2007. He has worked in leveraged finance since 2008 in both origination, portfolio monitoring and restructuring roles across The Hague and London. Prior to NIBC, Hans gained experience during internships at both ING (Investment Management, Taipei) and Rabobank (M&A, Amsterdam). Hans holds a master degree in business economics with a specialization in corporate finance from the Groningen University.

Iris Hesselink
Credit analyst

Iris joined NIBC in 2009. As one of the portfolio managers located in The Hague office, Iris is responsible for day-to-day management of the Benelux leveraged finance portfolio assets of both NIBC Bank and North Westerly CLOs. Iris holds master degrees in finance and strategic management from the University of Tilburg.

Sierd Stapersma
Credit analyst

Sierd is responsible for the daily monitoring of several Benelux based leveraged finance transactions for the North Westerly CLOs as well as NIBC Bank. Prior to 2012, Sierd was one of the business managers for NIBC corporate banking assisting the head of corporate banking and the management team. In total, Sierd has 12 years banking experience in several roles such as Business Manager, member of the Investor Services team and treasury assistant for one of NIBCs international offices. Sierd holds a bachelor degree in business economics from the Haagse Hogeschool.

Carolus Oledimmah
Portfolio administrator

Carolus is responsible for North Westerly CLO accounting, administration and reporting with support from NIBC investor services, tax and legal departments when required. He joined NIBC in 2010 from Deutsche Bank Trustee Services, where he was responsible for administering and reporting North Westerly CLOs since 2007. Prior to that, Carolus worked for Bank of New York Mellon formerly JP Morgan in 2004-2007 and for HSBC Global Investor Services in 2001-2004. Carolus graduated from the London Metropolitan University with a BA (Hons) degree in accounting.

THE PORTFOLIO

Terms used and not otherwise defined herein or in this Offering Circular as specifically referenced herein shall have the meaning given to them in Condition 1 (Definitions) of the Terms and Conditions.

Introduction

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager is required to act in specific circumstances in relation to the Portfolio on behalf of the Issuer and to carry out the duties and functions described below. In addition, the Collateral Administrator is required to perform certain calculations in relation to the Portfolio on behalf of the Issuer to the extent and in accordance with the information provided to it by the Collateral Manager.

Acquisition of Collateral Obligations

The Collateral Manager will use reasonable endeavours to cause the Issuer to acquire a portfolio of Senior Obligations and Mezzanine Obligations (determined by the Collateral Manager) during the Initial Investment Period, the Reinvestment Period and thereafter (including, but not limited to, Collateral Obligations purchased pursuant to the Forward Purchase Agreement). The Issuer anticipates that, by the Issue Date, it will have purchased or committed to purchase Collateral Obligations, the Aggregate Principal Balance of which is equal to at least €225,000,000, which is approximately 75 per cent. of the Target Par Amount. The Issuer will use the net proceeds of the issuance of the Notes (a) to pay certain fees and expenses and/or transfer funds to the Expense Reserve Account to meet such fees and expenses and (b) to acquire Collateral Obligations complying with the Eligibility Criteria during the Initial Investment Period. The Collateral Manager acting on behalf of the Issuer shall use commercially reasonable endeavours to purchase Collateral Obligations with an Aggregate Principal Balance (together with Collateral Obligations previously acquired) equal to at least the Target Par Amount out of the Balance standing to the credit of the Unused Proceeds Account during the Initial Investment Period.

The Issuer does not expect and is not required to satisfy the Collateral Quality Tests, Portfolio Profile Tests, the Coverage Tests or the Reinvestment Overcollateralisation Test 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 30 April 2014, subject to the Effective Date Determination Requirements being satisfied.

On or after the Effective Date, the Balance standing to the credit of the Unused Proceeds Account will be transferred to the Principal Account and/or the Interest Account, in each case, at the discretion of the Collateral Manager (acting on behalf of the Issuer), provided that as at such date: (i) the Issuer has acquired or entered into binding commitments to acquire Collateral Obligations, the Aggregate Principal Balance of which equals or exceeds the Target Par Amount; and (ii) no more than 1 per cent. of the Collateral Principal Amount as of the Issue Date may be transferred to the Interest Account.

Within 10 Business Days following the Effective Date, the Collateral Administrator shall issue a report (the "**Effective Date Report**") containing the information required in a Monthly Report, confirming whether the Issuer has acquired or entered into a binding commitment to acquire Collateral Obligations (excluding Substitute Collateral Obligations) having an Aggregate Principal Balance which equals or exceeds the Target Par Amount, copies of which shall be forwarded to the Issuer, the Trustee, the Arrangers, the Collateral Manager, the Hedge Counterparties and the Rating Agencies (provided that, for the purposes of determining the Aggregate Principal Balance as provided above, any repayments or prepayments in respect of a Collateral Obligation following acquisition by the Issuer shall be disregarded and the Principal Balance of a Collateral Obligation which is a Defaulted Obligation will be the lower of its S&P Collateral Value and its Fitch Collateral Value). Within 15 Business Days following the Effective Date the Issuer will provide, or cause the Collateral Manager to provide to the Trustee and the Collateral Administrator, an accountant’s certificate confirming the Aggregate Principal Balance of all Collateral 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 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 (to the extent not previously received) confirm its Initial Ratings of the Rated Notes. 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 and (iii) Rating Agency Confirmation of the Initial Ratings of the Rated Notes from S&P has not been received in respect of the Effective Date, an Effective Date Rating Event shall have occurred, provided that any downgrade or withdrawal of the Initial Ratings of the Rated Notes which is not directly related to a request for confirmation thereof or which occurs after confirmation thereof by the Rating Agencies shall not constitute an Effective Date Rating Event. If an Effective Date Rating Event has occurred and is continuing on the Business Day prior to the next Payment Date 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 Obligations or Substitute Collateral Obligations and/or any other intended action which is intended to cause confirmation or reinstatement of the Initial Ratings. The Collateral Manager (acting on behalf of the Issuer) is under no obligation whatsoever to present a Rating Confirmation Plan to the Rating Agencies.

Eligibility Criteria

Each Collateral Obligation must, at the time of entering into a binding commitment to acquire such obligation by, or on behalf of, the Issuer (or, in the case of Collateral Obligations acquired pursuant to the Forward Purchase Agreement, on both the date as at which the Forward Purchase Agreement takes effect and the Issue Date), satisfy the following criteria (the "**Eligibility Criteria**") as determined by the Collateral Manager in its reasonable discretion:

(a) it is a Senior Obligation or a Mezzanine Obligation;

(b) it is either (i) denominated in Euros and is not convertible into or payable in any other currency or (ii) denominated in United States dollars, pounds sterling or any other lawful currency of a Qualifying Country and is not convertible into or payable in any other currency and the Issuer and, with effect from the date of acquisition thereof and conditional upon the satisfaction of the Hedging Condition, the Issuer enters into a Currency Hedge Transaction with a notional amount in the relevant currency equal to the aggregate principal amount of such Non-Euro Obligation and otherwise complies with the requirements set out in respect of Non-Euro Obligations in the Collateral Management and Administration Agreement;

(c) it is not a Defaulted Obligation, a Credit Risk Obligation or Equity Security, including any obligation convertible into an Equity Security;

(d) in the case of a Mezzanine Obligation, an Unsecured Senior Obligation or a Second Lien Loan, it shall be purchased for a purchase price that is equal to or greater than 80 per cent. of the Principal Balance of such Collateral Obligation;

(e) it is not a lease (including, for the avoidance of doubt, a financial lease);

(f) it is not a Structured Finance Security, Letter of Credit, Synthetic Security or any other derivative instrument;

(g) it provides for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortisation or prepayment in each case at a price of less than par;

(h) it is not a Zero Coupon Security, Step-Up Coupon Security or Step-Down Coupon Security;

(i) it does not constitute Margin Stock;

(j) it is an obligation in respect of which, following acquisition thereof by the Issuer by the selected method of transfer, payments to the Issuer will not be subject to withholding tax imposed by any jurisdiction unless the Obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding on an after-tax basis;

(k) it is not an obligation which has an S&P Rating of "CCC+" or lower or a Fitch Rating of "CCC+" or lower;

(l) it is not a debt obligation whose repayment is subject to substantial non-credit related risk, including catastrophe bonds or instruments whose repayment is conditional on the non-occurrence of certain catastrophes or similar events;

(m) it will not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations of the Issuer other than those: (i) which may arise at its option; (ii) which are fully collateralised; (iii) which are owed to the agent bank or security agent in relation to the performance of its duties under or in connection with a Collateral Obligation; (iv) which are associated with tax credits arising in connection with grossed-up payments made to the Issuer; or (v) which may arise as a result of an undertaking to participate in a financial restructuring of a Collateral Obligation where such undertaking is contingent upon the redemption in full of such Collateral Obligation on or before the time by which the Issuer is obliged to enter into the Restructured Obligation and where the Restructured Obligation satisfies the Restructured Obligation Criteria and, for the avoidance of doubt, the Issuer is not liable to pay any amounts in respect of a Restructured Obligation (other than as provided in (i) to (iv) above, 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 Collateral Obligation;

(n) it does not have an "f", "r", "p", "pi", "(sf)" or "t" subscript assigned by S&P;

(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;

(q) it is not a debt obligation which pays interest only and does not require the repayment of principal;

(r) 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;

(s) the Collateral Obligation Stated Maturity thereof falls prior to the Maturity Date of the Notes;

(t) its acquisition by the Issuer will not result in the imposition of stamp duty or stamp duty reserve tax payable by the Issuer, unless such stamp duty or stamp duty reserve tax has been included in the purchase price of such Collateral Obligation;

(u) upon acquisition, the Collateral Obligation is capable of being, and will be, the subject of a first fixed charge, a first priority security interest or comparable security arrangement having substantially the same effect in favour of the Trustee for the benefit of the Secured Parties;

(v) is an obligation of an Obligor or Obligors Domiciled in a Qualifying Country (as determined by the Collateral Manager acting on behalf of the Issuer);

(w) is not a Dutch Ineligible Security;

(x) is not an obligation of a borrower who or which is resident in or incorporated under the laws of The Netherlands and who or which is not acting in the conduct of a business or profession;

(y) it has not been called for, and is not subject to a pending, redemption;

(z) it is capable of being sold, assigned or participated to the Issuer, together with any associated security, without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Issuer does not require any authorisations, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;

(aa) 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 Obligation, the change from a default rate of interest to a non default rate or an improvement in the Obligor's financial condition);

(bb) it is not an obligation whose acquisition by the Issuer will cause the Issuer to be deemed to have participated in a primary loan origination in the United States;

(cc) it is not a DIP Loan;

(dd) it is not a PIK Security;

(ee) it is not a Project Finance Loan;

(ff) it is in registered form for U.S. federal income tax purposes, unless it is not a "registration-required obligation" as defined in Section 163(f) of the Code; and

(gg) any change in the amount and/or timing of interest and principal payments pursuant to the relevant Underlying Instrument (for the avoidance of doubt, excluding any changes originally envisaged in such Underlying Instrument) requires the consent of not less than 66.6 per cent. of lenders or holders, as applicable, provided that in the case of a Collateral Obligation that is a bond, such percentage requirement shall refer to the percentage of holders required to approve a resolution on any such matter, either as a percentage of those attending a quorate bondholder meeting or as a percentage of all bondholders acting by way of a written resolution.

Other than Restructured Obligations which must satisfy the Restructured Obligation Criteria on the applicable Restructuring Date, the subsequent failure of any Collateral Obligation to satisfy any of the Eligibility Criteria shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation so long as such obligation satisfied the Eligibility Criteria, when the Issuer or the Collateral Manager on behalf of the Issuer entered into a binding agreement to purchase such obligation (or, in the case of Collateral Obligations acquired pursuant to the Forward Purchase Agreement, on both the date as at which the Forward Purchase Agreement takes effect and the Issue Date).

Restructured Obligations

In the event a Collateral Obligation becomes a Restructured Obligation (as determined by the Issuer, assisted by the Collateral Manager) such obligation shall only constitute a Collateral Obligation for the purpose of the calculation of the Portfolio Profile Tests, Collateral Quality Tests, Coverage Tests, Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio at any time if such obligation satisfies the criteria (the "**Restructured Obligation Criteria**") in paragraphs (a), (b), (c), (e), (f), (g), (h), (i), (j), (l), (m), (n), (o), (q), (r), (t), (u), (v), (w), (x), (z) (bb), (cc) (ee) and (ff) of the Eligibility Criteria on the relevant Restructuring Date.

Management of the Portfolio

Overview

The Collateral Manager (acting on behalf of the Issuer) is permitted, in certain circumstances and, subject to certain requirements, to sell Collateral Obligations and Exchanged Equity Securities and to reinvest the Sale Proceeds (other than accrued interest on such Collateral Obligations included in Interest Proceeds by the Collateral Manager) thereof in Substitute Collateral Obligations. The Collateral Manager shall notify the Collateral Administrator of all necessary details of the Collateral Obligation or Exchanged Equity Security to be sold and the proposed additional Collateral Obligations or Substitute Collateral Obligation to be purchased and the Collateral Administrator (on behalf of the Issuer) shall determine and shall provide confirmation of whether the Portfolio Profile Tests and Reinvestment Criteria which are required to be satisfied in connection with any such sale or reinvestment are satisfied or, if any such criteria are not satisfied, shall notify the Issuer and the Collateral Manager of the reasons and the extent to which such criteria are not so satisfied.

The Collateral Manager will determine and use reasonable endeavours to cause to be purchased by the Issuer, Collateral Obligations (including all additional Collateral Obligations or Substitute Collateral Obligations) taking into account the Eligibility Criteria and, where applicable, the Reinvestment Criteria and will monitor the performance of the Collateral Obligations on an ongoing basis to the extent practicable using sources of information reasonably available to it and provided that the Collateral Manager shall not be responsible for determining whether or not the terms of any individual Collateral Obligation have been observed.

The activities referred to below that the Collateral Manager may undertake on behalf of the Issuer are subject to the Issuer's monitoring of the performance of the Collateral Manager under the Collateral Management and Administration Agreement.

Terms and Conditions applicable to the Sale of Credit Risk Obligations, Credit Improved Obligations, Defaulted Obligations and Equity Securities

Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations may be sold at any time by the Collateral Manager (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

Terms and Conditions applicable to the Sale of Exchanged Equity Securities

Any Exchanged Equity Security may be sold at any time by the Collateral Manager in its discretion (acting on behalf of the Issuer), subject to, within the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default having occurred which is continuing.

In addition to any discretionary sale of Exchanged Equity Securities as provided above, the Collateral Manager shall be required by the Issuer to use commercially reasonable endeavours to sell (on behalf of the Issuer) any Exchanged Equity Security which constitutes Margin Stock, as soon as practicable upon its receipt or upon its becoming Margin Stock (as applicable), unless such sale is prohibited by applicable law, in which case such Equity Security shall be sold as soon as such sale is permitted by applicable law.

Discretionary Sales

The Issuer or the Collateral Manager (acting on behalf of the Issuer) may dispose of any Collateral Obligation (other than a Credit Improved Obligation, a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Equity Security, each of which may only be sold in the circumstances provided above) at any time (other than during a Restricted Trading Period) provided:

(a) no Event of Default having occurred which is continuing (in the case of the Collateral Manager, to its knowledge, without the need for inquiry or investigation);

(b) after giving effect to such sale, the Aggregate Principal Balance outstanding of all Collateral Obligations sold as described in this paragraph during the preceding 12 calendar months (or, for the first 12 calendar months after the Issue Date, during the period commencing on the Issue Date) is not greater than 20 per cent. of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Issue Date, as the case may be);

(c) 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 Substitute Collateral Obligations within 30 days after the settlement of such sale in accordance with the Reinvestment Criteria; and

(d) at any time, either: (1) the Sale Proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such Collateral Obligation; or (2) after giving effect to such sale, the Collateral Principal Amount (excluding the Collateral Obligation being sold but including, without duplication, the expected Sale Proceeds of such sale and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value) will be greater than (or equal to) the Reinvestment Target Par Balance.

Restricted Trading Period

The Issuer or the Collateral Manager (acting on its behalf) shall promptly notify Fitch and S&P 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 (if requested by the Trustee following the enforcement of such security), as far as reasonably practicable, arrange for liquidation of the Collateral in order to procure that the proceeds thereof are in immediately available funds by the Business Day prior to the applicable Redemption Date or date of sale of all or part of the Portfolio, as applicable, in accordance with Condition 7 (*Redemption and Purchase*) and clause 6 (*Realisation of Collateral*) of the Collateral Management and Administration Agreement but without regard to the limitations set out in clause 5 (*Sale and Reinvestment of Portfolio Assets*) and Schedule 5 (*Reinvestment Criteria*) of the Collateral Management and Administration Agreement (but subject to any limitations or restrictions set out in the Conditions and the Trust Deed).

Sale of Assets which do not Constitute Collateral Obligations

In the event that an asset did not satisfy the Eligibility Criteria on the date it was required to do so in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall use commercially reasonable endeavours to sell such asset. Such proceeds shall constitute Sale Proceeds and may be reinvested in accordance with and subject to the Reinvestment Criteria.

Reinvestment of Collateral Obligations

During the Reinvestment Period

During the Reinvestment Period, the Collateral Manager (acting on behalf of the Issuer) may, at its discretion, reinvest any Principal Proceeds in the purchase of Substitute Collateral Obligations satisfying the Eligibility Criteria provided that immediately after entering into a binding commitment to acquire such Substitute Collateral Obligation and taking into account existing commitments, the criteria set out below must be satisfied:

(a) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase, provided however that any such reinvestment may be effected notwithstanding the occurrence and continuance of an Event of Default if (i) such reinvestment would not, in the opinion of the Trustee, be materially prejudicial to the interests of the

holders of any Class of Notes or (ii) the Controlling Class has consented to such reinvestment by way of an Ordinary Resolution;

(b) such obligation is a Collateral Obligation;

(c) on and after the Effective Date (or in the case of the Interest Coverage Tests, the Determination Date immediately preceding 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, such proceeds may only be reinvested if the Coverage Tests will be satisfied immediately following such reinvestment) as calculated immediately prior to any purchase of a Substitute Collateral Obligation any Coverage Test was not satisfied, the coverage ratio relating to such test will be maintained or improved after giving effect to such reinvestment;

(d) in the case of a Substitute Collateral Obligation purchased with Sale Proceeds of a Credit Risk Obligation or a Defaulted Obligation either:

(i) the Investment Criteria Adjusted Balance of all Substitute Collateral Obligations purchased with such Sale Proceeds shall at least equal such Sale Proceeds;

(ii) the Aggregate Principal Balance of the Collateral Obligations will be maintained or increased when compared to the Aggregate Principal Balance of the Collateral Obligations immediately prior to such sale; or

(iii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation being sold but including, without duplication, each Substitute Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligation and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on such Eligible Investments) acquired with cash standing to the credit of such Accounts) is equal to or greater than the Reinvestment Target Par Balance;

(e) 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 as calculated immediately prior to the purchase of the relevant Substitute Collateral Obligation are not satisfied such tests will be maintained or improved after giving effect to such reinvestment, except that, in the case of both (A) and (B), if the relevant Substitute Collateral Obligation is purchased with Sale Proceeds of a Credit Risk Obligation, Exchanged Equity Security or Defaulted Obligation, the S&P CDO Monitor Test will not apply;

(f) with respect to the reinvestment of Sale Proceeds (other than Sale Proceeds from Credit Risk Obligations, Defaulted Obligations and Exchanged Equity Securities) either:

(i) the Aggregate Principal Balance of all Collateral Obligations shall be maintained or increased when compared with the Aggregate Principal Balance of the Collateral Obligations immediately prior to such sale; or

(ii) the sum of: (A) the Aggregate Principal Balance of all Collateral Obligations (excluding each Collateral Obligation being sold but including, without duplication, each Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such sale that are not applied to the purchase of such Substitute Collateral Obligations and, for which purpose, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value); and (B) amounts standing to the credit of the Principal Account and Unused Proceeds Account (including any Eligible Investments (save for interest accrued on such Eligible Investments) acquired with cash standing to the credit of such Accounts) is equal to or greater than the Reinvestment Target Par Balance; and

(g) after giving effect to the reinvestment the Collateral Principal Amount does not exceed the Maximum Par Amount,

provided that, for the avoidance of doubt, with respect to any Collateral Obligations for which the trade date has occurred during the Reinvestment Period but which settle after such date, the purchase of such Collateral Obligations shall be treated as a purchase made during the Reinvestment Period for purposes of the Trust Deed.

Following the Expiry of the Reinvestment Period

Following the expiry of the Reinvestment Period, Sale Proceeds from the sale of Credit Risk Obligations and Credit Improved Obligations and Unscheduled Principal Proceeds only, may be reinvested by the Collateral Manager (acting on behalf of the Issuer) in one or more Substitute Collateral Obligations satisfying the Eligibility Criteria, in each case provided that:

(a) the Weighted Average Life Test was satisfied on the last Business Day of the Reinvestment Period;

(b) the sum of the Aggregate Principal Balance of Substitute Collateral Obligations and all such Sale Proceeds and Unscheduled Principal Proceeds standing to the credit of the Principal Account equals or exceeds (i) the Aggregate Principal Balance of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or (ii) the amount of Sale Proceeds of such Credit Risk Obligation or Credit Improved Obligation, as the case may be;

(c) the Fitch Weighted Average Rating Factor of the Substitute Collateral Obligations is equal to or less than, and the Fitch Weighted Average Recovery Rate of the Substitute Collateral Obligations is equal to or greater than, in each case, the Fitch Weighted Average Rating Factor and the Fitch Weighted Average Recovery Rate of the related Collateral Obligations that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be;

(d) a Restricted Trading Period is not currently in effect;

(e) either: (I) each of the Portfolio Profile Tests (except paragraphs (i) and (j) of the Portfolio Profile Tests) and the Collateral Quality Tests (except the S&P CDO Monitor Test, Weighted Average Life 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;

(f) each of the Coverage Tests are satisfied both before and after giving effect to such reinvestment;

(g) either the Class Scenario Default Rate with respect to each Class of Notes then rated by S&P is maintained or improved after giving effect to such reinvestment or such Substitute Collateral Obligation(s) have the same or a higher S&P Rating as the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds, as the case may be;

(h) after giving effect to the reinvestment, the Collateral Principal Amount does not exceed the Maximum Par Amount;

(i) to the Collateral Manager's knowledge (without the need for inquiry or investigation), no Event of Default has occurred that is continuing at the time of such purchase, provided however that any such reinvestment may be effected notwithstanding the occurrence or a continuance of an Event of Default if (i) such reinvestment would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of any Class of Notes or (ii) the Controlling Class has consented to such reinvestment by way of an Ordinary Resolution;

(j) the Collateral Obligation Stated Maturity of each Substitute Collateral Obligation is the same as or earlier than the Collateral Obligation Stated Maturity of the Collateral Obligation that produced such Unscheduled Principal Proceeds or Sale Proceeds;

(k) after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount (for the purposes of calculating the Collateral Principal Amount for this paragraph (k), each Defaulted Obligation shall be deemed to have a Principal Balance equal to its Fitch Collateral Value) will consist of obligations which are Fitch CCC Obligations;

(l) after giving effect to the reinvestment, not more than 7.5 per cent. of the Collateral Principal Amount (for the purposes of calculating the Collateral Principal Amount for this paragraph (l), each Defaulted Obligation shall be deemed to have a Principal Balance equal to its S&P Collateral Value) will consist of obligations which are S&P CCC Obligations; and

(m) each of the Weighted Average Life Test and the Fitch Maximum Weighted Average Rating Factor Test will be satisfied immediately after giving effect to such reinvestment.

Following the expiry of the Reinvestment Period, any Unscheduled Principal Proceeds and any Sale Proceeds from the sale of Credit Risk 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 Priority of Payments on the following Payment Date (subject as provided at the end of this paragraph), save that the Collateral Manager (acting on behalf of the Issuer) may in its discretion procure that Unscheduled Principal Proceeds and Sale Proceeds from the sale of any Credit Risk Obligations and Credit Improved Obligations are paid into the Principal Account and designated for reinvestment in Substitute Collateral Obligations, in which case such Principal Proceeds shall not be so disbursed in accordance with the Principal Priority of Payments for so long as they remain so designated for reinvestment but for no longer than the end of the following Due Period; provided that where any of the applicable Reinvestment Criteria are not satisfied as of the Payment Date next following receipt of such Sale Proceeds of Credit Risk Obligations and Credit Improved Obligations or Unscheduled Principal Proceeds, all such funds shall be paid into the Principal Account and applied only in redemption of the Notes in accordance with the Priorities of Payments.

Amendments to Collateral Obligations

The Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favour of a Maturity Amendment only if, after giving effect to such Maturity Amendment:

(a) the Collateral Obligation Stated Maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Maturity Date of the Rated Notes; and

(b) either (i) the Weighted Average Life Test is satisfied after giving effect to such Maturity Amendment, or (ii) if the Weighted Average Life Test was not satisfied prior to the Maturity Amendment, the Weighted Average Life Test will be restored to compliance, in either case after giving effect to any Trading Plan in effect during the applicable Trading Plan Period.

For the avoidance of doubt, the requirements specified above with respect to Maturity Amendments shall not apply to a Credit Restructuring Amendment. If, in respect of a Collateral Obligation, a Credit Restructuring Amendment has been effected in a manner which results in the Collateral Obligation Stated Maturity of such Collateral Obligation being extended in circumstances where, if such Credit Restructuring Amendment was a Maturity Amendment, the requirements specified above would be contravened, the Issuer (or the Collateral Manager on its behalf) may, but shall not be required to, sell such Collateral Obligation, provided that in any event the Issuer (or the Collateral Manager on its behalf) shall dispose of such Collateral Obligation prior to the Maturity Date. The proceeds of such sale constitute Sale Proceeds and may be reinvested subject to and in accordance with and subject to the Reinvestment Criteria.

Expiry of the Reinvestment Criteria Certification

Immediately preceding the end of the Reinvestment Period, the Collateral Manager will deliver to the Trustee and the Collateral Administrator a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and will certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose, cash on deposit in the Principal Account, any scheduled distributions of Principal Proceeds, as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations.

Reinvestment Overcollateralisation Test

During the Reinvestment Period, if, on any Payment Date during such period after giving effect to the payment of all amounts payable in respect of paragraphs (A) through (S) (inclusive) of the Interest Priority of Payments, the Reinvestment Overcollateralisation Test has not been satisfied, then on the related Payment Date, Interest Proceeds shall be paid to the Principal Account to be applied for the purpose of the acquisition of additional Collateral Obligations in 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 (S) (inclusive) of the Interest Priority of Payments, would be sufficient to cause the Reinvestment Overcollateralisation Test to be satisfied.

Designation for Reinvestment

After the expiry of the Reinvestment Period, the Collateral Manager shall, one Business Day prior to each Determination Date, notify the Issuer and the Collateral Administrator in writing of all Principal Proceeds which the Collateral Manager determines in its discretion (acting on behalf of the Issuer, and subject to the terms of Collateral Management and Administration Agreement as described above) shall remain designated for reinvestment in accordance with the Reinvestment Criteria, on or after the following Payment Date in which event such Principal Proceeds shall not constitute Principal Proceeds which are to be paid into the Payment Account and disbursed on such Payment Date in accordance with the Priorities of Payments.

The Collateral Manager (acting on behalf of the Issuer) may direct that the proceeds of sale of any Collateral Obligation which represents accrued interest be designated as Interest Proceeds and paid into the Interest Account save for: (i) Purchased Accrued Interest; (ii) any interest received in respect of any Mezzanine Obligation for so long as it is a Defaulted Deferring Mezzanine Obligation other than Defaulted Mezzanine Excess Amounts; and (iii) any interest received in respect of a Defaulted Obligation other than Defaulted Obligation Excess Amounts.

Accrued Interest

Amounts included in the purchase price of any Collateral Obligation comprising accrued interest thereon may be paid from the Interest Account, the Principal Account or the Unused Proceeds Account at the discretion of the Collateral Manager (acting on behalf of the Issuer) but subject to the terms of the Collateral Management and Administration Agreement and Condition 3(j) (*Payments to and from the Accounts*). Notwithstanding the foregoing, in any Due Period, all payments of interest and proceeds of sale received during such Due Period in relation to any Collateral Obligation, in each case, to the extent that such amounts represent accrued and/or capitalised interest in respect of such Collateral Obligation (including, in respect of a Mezzanine Obligation, any accrued interest which, as at the time of purchase, had been capitalised and added to the principal amount of such Mezzanine Obligation in accordance with its terms), which was purchased at the time of acquisition thereof with Principal Proceeds and/or principal amounts from the Unused Proceeds Account shall constitute Purchased Accrued Interest and shall be deposited into the Principal Account as Principal Proceeds.

Block Trades

The requirements described herein with respect to the Portfolio shall be deemed to be satisfied upon any sale and/or purchase of Collateral Obligations on any day in the event that such Collateral Obligations satisfy such requirements in aggregate rather than on an individual basis.

For the purpose of calculating compliance with the Reinvestment Criteria at the election of the Collateral Manager acting in a commercially reasonable manner, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time (the "**Initial Trading Plan Calculation Date**") when compliance with the Reinvestment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within the 10 Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); provided that: (i) no Trading Plan may result in the purchase of Collateral Obligations having an Aggregate Principal Balance that exceeds 5 per cent. of the Collateral Principal Amount (for which purpose the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value) as of the first day of the Trading Plan Period; (ii) no Trading Plan Period may include a Payment Date; (iii) no more than one Trading Plan may be in effect at any time during a Trading Plan Period; and (iv) if the Reinvestment Criteria are satisfied prospectively after giving effect to a Trading Plan, but are not satisfied upon the completion of the related Trading Plan, Rating Agency Confirmation from S&P is obtained with respect to the effectiveness of the next Trading Plan (it being understood that Rating Agency Confirmation from S&P shall only be required once following any failure of a Trading Plan); *provided* that no Trading Plan may result in the averaging of the purchase price of a Collateral Obligation or Collateral Obligations purchased at separate times for purposes of determining whether any particular Collateral Obligation is a Discount Obligation. For the avoidance of doubt, compliance with the Reinvestment Criteria upon completion of a Trading Plan pursuant to (iv) above, shall be calculated with respect to those Collateral Obligations that were actually sold and/or purchased as part of the relevant Trading Plan on the basis of data used as at the Initial Trading Plan Calculation Date.

Eligible Investments

The Issuer or the 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 Accounts, the Collection Account and the Payment Account). For the avoidance of doubt, Eligible Investments may be sold by the Issuer or the Collateral Manager (acting on behalf of the Issuer) at any time.

Collateral Enhancement Obligations

The Collateral Manager (acting on behalf of the Issuer) may, from time to time, purchase Collateral Enhancement Obligations independently or as part of a unit with the Collateral Obligations being so purchased.

All funds required in respect of the purchase price of any Collateral Enhancement Obligations, and all funds required in respect of the exercise price of any rights or options thereunder, may only be paid out of the balance standing to the credit of the Supplemental Reserve Account at the relevant time. Pursuant to Condition 3(j)(vi) (*Supplemental Reserve Account*), such Balance shall be comprised of all sums deposited therein from time to time which will comprise amounts which the Collateral Manager acting on behalf of the Issuer determines shall be paid into the Supplemental Reserve Account pursuant to the Priorities of Payments.

Collateral Enhancement Obligations may be sold at any time and all Collateral Enhancement Obligation Proceeds received by the Issuer shall be deposited into the Principal Account for allocation in accordance with the Principal Priority of Payments.

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

Exercise of Warrants and Options

The Collateral Manager acting on behalf of the Issuer may at any time exercise a warrant or option attached to a Collateral Obligation or comprised in a Collateral Enhancement Obligation and shall on behalf of the Issuer instruct the Account Bank to make any necessary payment pursuant to a duly completed form of instruction.

Margin Stock

The Collateral Management and Administration Agreement requires that the Collateral Manager, on behalf of the Issuer, shall use reasonable endeavours to sell any Collateral Obligation, Exchanged Equity Security or Collateral Enhancement Obligation which is or at any time becomes Margin Stock as soon as practicable following such event.

Assignments

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Assignment provided that at the time such Assignment is acquired, the Collateral Manager acting on behalf of the Issuer shall have complied, to the extent within its control, with any requirements relating to such Assignment set out in the relevant Underlying Instrument for such Collateral Obligation (including, without limitation, with respect to the form of such Assignment and obtaining the consent of any person specified in the relevant Underlying Instrument).

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

Participations

The Collateral Manager acting on behalf of the Issuer may from time to time acquire Collateral Obligations from Selling Institutions by way of Participation provided that at the time such Participation is taken:

(a) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with a single Selling Institution will not exceed the percentages set forth in the Bivariate Risk Table determined by reference to the credit rating of such third party (or any guarantor thereof); and

(b) the percentage of the Collateral Principal Amount that represents Participations entered into by the Issuer with Selling Institutions (or any guarantor thereof with the guarantee meeting the criteria set out in "*Guarantee Criteria--Structured Finance*" published by S&P on 7 May 2013), each having the same credit rating (taking the lowest rating assigned thereto by any Rating Agency), will not exceed the aggregate third party credit exposure limit set forth in the Bivariate Risk Table for such credit rating,

and for the purpose of determining the foregoing, account shall be taken of each sub participation from which the Issuer, directly or indirectly derives its interest in the relevant Collateral Obligation.

Each Participation entered into pursuant to a sub-participation agreement shall be substantially in the form of:

(a) the LMA Funded Participation (Par) (as published by the Loan Market Association from time to time); or

(b) such other documentation provided such agreement contains limited recourse and non-petition language substantially the same as that set out in the Trust Deed.

Bivariate Risk Table

The following is the bivariate risk table (the "**Bivariate Risk Table**") as referred to in "*Portfolio Profile Tests*" below and "*Participations*" above. For the purposes of the limits specified in the Bivariate Risk Table, the individual third party credit exposure limit shall be determined by reference to the Aggregate Principal Balance of all Participations (excluding any Defaulted Obligations) entered into by the Issuer with the same counterparty (such amount in respect of such entity, the "**Third Party Credit Exposure**") and the applicable percentage limits shall be determined by reference to the lower of the Fitch or S&P long term credit ratings applicable to such counterparty. The aggregate third party credit exposure limit shall be determined by reference to the aggregate of 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.

Bivariate Risk Table

Long-Term Issuer Credit Rating of Selling Institution	Individual Third Party Credit Exposure Limit*	Aggregate Third Party Credit Exposure Limit*
S&P		
AAA	5%	5%
AA+	5%	5%
AA	5%	5%
AA-	5%	5%
A+	5%	5%
A	5%	5%
A- 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 Collateral Principal Amount (for which purposes, in respect of the S&P percentages, the Principal Balance of each Defaulted Obligation shall be its S&P Collateral Value).

Portfolio Profile Tests and Collateral Quality Tests

Measurement of Tests

The Portfolio Profile Tests and the Collateral Quality Tests will be used as criteria for purchasing Collateral Obligations. The Collateral Administrator will measure the Portfolio Profile Tests and the Collateral Quality Tests on each Measurement Date (save as otherwise provided herein).

Additional Collateral Obligations or Substitute Collateral Obligations in respect of which a binding commitment has been made to purchase such additional Collateral Obligations or Substitute Collateral Obligations but such purchase has not been settled shall nonetheless be deemed to have been purchased for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio. Collateral Obligations in respect of which a binding commitment has been made to sell such Collateral Obligations, but such sale has not been settled, shall be deemed to have been sold for the purposes of the Portfolio Profile Tests, the Collateral Quality Tests, the Coverage Tests, the Reinvestment Overcollateralisation Test and all other tests and criteria applicable to the Portfolio. See "*Reinvestment of Collateral Obligations*" above.

Notwithstanding the foregoing, the failure of the Portfolio to meet the requirements of the Portfolio Profile Tests at any time shall not prevent any obligation which would otherwise be a Collateral Obligation from being a Collateral Obligation.

Portfolio Profile Tests

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

(a) not less than 90.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Secured Senior Floating Rate Obligations (which term, for the purposes of this paragraph (a), shall

comprise the aggregate of the Aggregate Principal Balance of the Secured Senior Floating Rate Obligations and the Balances standing to the credit of the Principal Account and the Unused Proceeds Account, including Eligible Investments acquired with such Balances (excluding accrued interest thereon), in each case as at the relevant Measurement Date);

(b) not more than 15.0 per cent. of the Collateral Principal Amount shall consist of Secured Senior Floating Rate Notes;

(c) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations which are Fixed Rate Collateral Obligations;

(d) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Unsecured Senior Obligations, Second Lien Loans or Mezzanine Obligations in aggregate;

(e) not more than 2.5 per cent. of the Collateral Principal Amount shall be the obligations of any single Obligor;

(f) not more than 20.0 per cent. of the Collateral Principal Amount shall consist of Non-Euro Obligations;

(g) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Participations;

(h) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of Current Pay Obligations;

(i) not more than 7.5 per cent. of the Collateral Principal Amount (for the purposes of calculating the Collateral Principal Amount for this paragraph (i), each Defaulted Obligation shall be deemed to have a Principal Balance equal to its Fitch Collateral Value) shall consist of obligations with a Fitch Rating of "CCC+" or lower;

(j) not more than 7.5 per cent. of the Collateral Principal Amount (for the purposes of calculating the Collateral Principal Amount for this paragraph (j), each Defaulted Obligation shall be deemed to have a Principal Balance equal to its S&P Collateral Value) shall consist of obligations with an S&P Rating of "CCC+" or lower;

(k) not more than 2.5 per cent. of the Collateral Principal Amount shall consist of Bridge Loans;

(l) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which are PIK Securities;

(m) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of obligations which pay scheduled interest less frequently than semi-annually (other than, for the avoidance of doubt, PIK Securities);

(n) the largest S&P industry classification may comprise up to 17.5 per cent. of the Collateral Principal Amount, the second and third largest S&P industry classifications may each comprise up to 12.0 per cent. of the Collateral Principal Amount, and each other S&P industry classification may each comprise up to 10.0 per cent. of the Collateral Principal Amount;

(o) the largest Fitch Industry Category may comprise up to 16.0 per cent. of the Collateral Principal Amount, the second largest Fitch Industry Category may comprise up to 14.0 per cent. of the Collateral Principal Amount, the third largest Fitch Industry Category may comprise up to 11.0% of the Collateral Principal Amount and each other Fitch Industry Category may each comprise up to 10.0 per cent. of the Collateral Principal Amount;

(p) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of obligations whose S&P Rating is derived from a public Moody's rating;

(q) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdictions rated below "A-" by Fitch unless Rating Agency Confirmation from Fitch is obtained;

(r) not more than 5.0 per cent. of the Collateral Principal Amount shall consist of Obligors who are Domiciled in countries or jurisdiction rated below "A-" by S&P;

(s) not more than 10.0 per cent. of the Collateral Principal Amount shall consist of Cov-Lite Loans; and

(t) the limits set forth in the Bivariate Risk Table determined by reference to the ratings of Selling Institutions shall be satisfied.

The percentage requirements applicable to different types of Collateral Obligations specified in the Portfolio Profile Tests shall be determined by reference to the Aggregate Principal Balance of such type of Collateral Obligations, excluding Defaulted Obligations.

"**Fitch Industry Category**" means each of the categories listed below plus any other industry category published by Fitch minus any industry category which is no longer used by Fitch at the relevant point in time:

Aerospace & Defence
Automobiles
Banking & Finance
Broadcasting & Media
Building & Materials
Business Services
Cable
Chemicals
Computer & Electronics
Consumer Products
Energy
Environmental Services
Farming & Agricultural Services
Food & Beverage & Tobacco
Gaming & Leisure & Entertainment
Healthcare
Industrial/Manufacturing

Lodging & Restaurants
Metals & Mining
Packaging & Containers
Paper & Forest Products
Pharmaceuticals
Real Estate
Retail (General)
Supermarkets & Drugstores
Telecommunications
Textiles & Furniture
Transportation
Utilities

Collateral Quality Tests

The Collateral Quality Tests will consist of each of the following:

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

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

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

(iii) the S&P Minimum Weighted Average Floating Spread Test; and

(iv) the S&P Minimum Weighted Average Coupon Test;

(b) 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;

(iii) the Fitch Minimum Weighted Average Spread Test; and

(iv) the Fitch Minimum Weighted Average Fixed Coupon Test; and

(c) so long as any Rated Notes are Outstanding, the Weighted Average Life Test,

each as defined in the Collateral Management and Administration Agreement.

The Principal Balance of Defaulted Obligations shall be excluded for the purposes of calculating the Collateral Quality Tests (other than the S&P CDO Monitor Test).

"**S&P Matrix**": For each Class of Rated Notes, the Class Break Even Default Rate will be determined as follows: (A) the applicable weighted average spread will be the spread between 2.5 per cent. and 5.5 per cent. (in increments of 0.05 per cent.) without exceeding the Weighted Average Floating Spread as of such Measurement Date (the "**S&P Matrix Spread**"), (B) the applicable weighted average coupon will be (i) between 5.25 per cent. and 7.75 per cent. (in increments of 0.5 per cent.) without exceeding the Weighted Average Coupon if any of the Collateral Obligations are Fixed Rate Collateral Obligations, and (ii) otherwise 0 per cent. as of such Measurement Date (the "**S&P Matrix Coupon**") and (C) with respect to each Class of Notes, chosen independently, the applicable weighted average recovery rate will be the recovery rate from a recovery case in the S&P Matrix Recovery Rate Tables below such that for each Class of Notes, the S&P Weighted Average Recovery Rate equals or exceeds the chosen recovery rate for such Class of Notes as of such Measurement Date (collectively, a "**Recovery Rate Set**") .

S&P Matrix Recovery Rate Tables

Rating Level	**Case 1**	**Case 2**	**Case 3**	**Case 4**	**Case 5**	**Case 6**	**Case 7**
"AAA"	34.500%	35.000%	35.500%	36.000%	36.500%	37.000%	37.500%
"AA"	40.800%	41.225%	41.650%	42.075%	42.500%	42.925%	43.350%
"A"	45.600%	46.000%	46.400%	46.800%	47.200%	47.600%	48.000%
"BBB"	51.100%	51.450%	51.800%	52.150%	52.500%	52.850%	53.200%
"BB"	58.800%	59.325%	59.850%	60.375%	60.900%	61.425%	61.950%

Rating Level	**Case 8**	**Case 9**	**Case 10**	**Case 11**	**Case 12**	**Case 13**	**Case 14**
"AAA"	38.000%	38.500%	39.000%	39.500%	40.000%	40.500%	41.000%
"AA"	43.775%	44.200%	44.625%	45.050%	45.475%	45.900%	46.450%
"A"	48.400%	48.800%	49.200%	49.600%	50.000%	50.400%	50.925%
"BBB"	53.550%	53.900%	54.250%	54.600%	54.950%	55.300%	55.850%
"BB"	62.475%	63.000%	63.525%	64.050%	64.575%	65.100%	65.700%

Rating Level	**Case 15**	**Case 16**	**Case 17**	**Case 18**	**Case 19**	**Case 20**	**Case 21**
"AAA"	41.500%	42.000%	42.500%	43.000%	43.500%	44.000%	44.500%
"AA"	47.000%	47.550%	48.100%	48.650%	49.200%	49.750%	50.300%
"A"	51.450%	51.975%	52.500%	53.025%	53.550%	54.075%	54.600%
"BBB"	56.400%	56.950%	57.500%	58.050%	58.600%	59.150%	59.700%
"BB"	66.300%	66.900%	67.500%	68.100%	68.700%	69.300%	69.900%

After the Effective Date, the Collateral Manager may request from time to time for S&P to provide S&P CDO Monitors for up to 50 different combinations of S&P Matrix Spreads, Coupons and Recovery Rate Sets every year, which may, for example, be two S&P Matrix Spreads and one S&P Matrix Coupon and 25 Recovery Rate Sets or any other 50 combinations of S&P Matrix Spreads, S&P Matrix Coupons and Recovery Rate Sets. On 10 Business Days' written notice to the Collateral Administrator (or such shorter time as may be acceptable to the Collateral Administrator), the Collateral Manager may choose a different Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread; *provided*, that the Collateral Obligations must be in compliance with such different Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread and, solely for purposes of this proviso, if the Issuer has entered into a commitment to invest in a Collateral Obligation, compliance with the newly selected Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread may be determined after giving effect to such investment. Notwithstanding the foregoing, if the Collateral Obligations are not currently in compliance with the Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread then applicable and would not be in compliance with any other Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread, as applicable, the Collateral Manager may select a different Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread, as applicable, that is not further out of compliance than the current Recovery Rate Set, S&P Matrix Coupon and/or S&P Matrix Spread. In the event the Collateral Manager fails to choose (A) a Recovery Rate Set prior to the Effective Date, a Recovery Rate Set comprising of a recovery rate of 40.5 per cent. for the "AAA" rating level, a recovery rate of 45.9 per cent. for the "AA" rating level, a recovery rate of 50.4 per cent. for the "A" rating level, a recovery rate of 55.3 per cent. for the "BBB" rating level and a recovery rate of 65.1 per cent. for the "BB" rating level, (B) an S&P Matrix Spread prior to the Effective Date, an S&P Matrix Spread of 4.25 per cent. will apply or (C) an S&P Matrix Coupon prior to the Effective Date, an S&P Matrix Coupon of 6.75 per cent., will 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 matrices to be determined by the Collateral Manager from time to time (such matrices to be subject to Rating Agency Confirmation from Fitch) (the "**Fitch Test Matrices**") shall be applicable for purposes of the Weighted Average Life Test, the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test. For any given case:

(1) the applicable matrix for which the Weighted Average Life as of such Measurement Date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 19 December 2021;

(2) the applicable column for performing the Fitch Maximum Weighted Average Rating Factor Test will be the column in the applicable Fitch Tests Matrix selected by the Collateral Manager;

(3) the applicable row for performing the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test will be the row in the applicable Fitch Tests Matrix selected by the Collateral Manager; and

(4) 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 Tests Matrix selected by the Collateral Manager in relation to (2) and (3) 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, the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test applicable to the case to which the Collateral Manager desires to change are satisfied or, in the case of any tests that are not satisfied, are closer to being satisfied. The Fitch Tests Matrices may be amended and/or supplemented and/or replaced by the Collateral Manager subject to Rating Agency Confirmation from Fitch.

The S&P CDO Monitor Test

The S&P CDO Monitor Test will be satisfied on any Measurement Date from the Effective Date until the end of the Reinvestment Period following receipt by the Issuer, the Collateral Manager and the Collateral Administrator of the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor Test and in a form that performs as intended with respect to the Collateral Obligations) if, after giving effect to the purchase or sale of a Collateral Obligation (except Substitute Collateral Obligations purchased with the proceeds from the sale of a Credit Risk Obligation, a Defaulted Obligation or an Exchanged Equity Security), the Class Default Differential of the Proposed Portfolio is positive on such date. The S&P CDO Monitor Test will be considered to be "improved" if the Class Default Differential of the Proposed Portfolio is greater than the Class Default Differential of the Current Portfolio.

There can be no assurance that actual defaults of the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates with respect thereto will not differ from those assumed in the S&P CDO Monitor. None of the Collateral Manager, the Arrangers, the Joint Lead Managers, the Bookrunner, the Issuer, the Trustee or the Collateral Administrator makes any representation as to the expected rate of defaults of the Collateral Obligations or the timing of defaults or as to the expected recovery rate or the timing of recoveries.

The "**Class Break Even Default Rate**" is, with respect to any Class or Classes of Notes then rated by S&P, at any time, the maximum percentage of defaults which the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined through application of the S&P CDO Monitor chosen by the Collateral Manager in accordance with the definition of "S&P Matrix" that is applicable to the portfolio of Collateral Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priorities of Payments, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full. After the Effective Date, S&P will provide the Collateral Manager with the Class Break Even Default Rates for each S&P CDO Monitor based upon the Recovery Rate Set to be associated with such S&P CDO Monitor as selected by the Collateral Manager (with a copy to the Collateral Administrator) in accordance with the Collateral Management and Administration Agreement or any other Recovery Rate Set selected by the Collateral Manager from time to time.

The "**Class Default Differential**" is, with respect to any Class of Notes then rated by S&P, at any time, the rate calculated by subtracting the Class Scenario Default Rate for the relevant Class from the Class Break Even Default Rate for such Class at such time.

The "**Class Scenario Default Rate**" is, with respect to any Class of Notes then rated by S&P, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of such Class of Notes, determined by application of the S&P CDO Monitor Test at such time.

The "**Current Portfolio**" means the portfolio of Collateral Obligations (included at their Principal Balance, provided that in respect of Mezzanine Obligations and PIK Securities the Principal Balance shall include all accrued interest excluding any interest which accrues following the date of acquisition thereof) and Eligible Investments existing prior to the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

The "**Proposed Portfolio**" means the portfolio of Collateral Obligations (included at their Principal Balance, provided that in respect of Mezzanine Obligations and PIK Securities the Principal Balance shall include all accrued interest excluding any interest which accrues following the date of acquisition thereof) and Eligible Investments resulting from the sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment of Principal Proceeds in a Substitute Collateral Obligation, as the case may be.

"**S&P CDO Monitor**" means, each dynamic, analytical computer model developed by S&P used to calculate the default frequency in terms of the amount of debt assumed to default as a percentage of the original principal amount of the Collateral Obligations consistent with a specified benchmark rating level based upon certain assumptions (including, as defined under the definition of S&P Matrix, the applicable S&P Matrix Spread, S&P Matrix Coupon and Recovery Rate Set) and S&P's proprietary corporate default studies, as may be amended by S&P from time to

time upon notice to the Issuer, the Collateral Manager and the Collateral Administrator. Each S&P CDO Monitor shall be chosen by the Collateral Manager and associated with (1) either (x) a Recovery Rate Set chosen by the Collateral Manager in accordance with the Collateral Management and Administration Agreement or (y) a Recovery Rate Set confirmed by S&P, provided that as of any date, the S&P Minimum Weighted Average Recovery Rate for each Class of Notes Outstanding equals or exceeds the S&P Minimum Weighted Average Recovery Rate for such Class chosen by the Collateral Manager, (2) an S&P Matrix Spread, provided that as of any date, the Weighted Average Floating Spread equals or exceeds the S&P Matrix Spread chosen by the Collateral Manager and (3) an S&P Matrix Coupon, provided that as of any date, the Weighted Average Coupon equals or exceeds the S&P Matrix Coupon chosen by the Collateral Manager.

The S&P Minimum Weighted Average Recovery Rate Test

The "**S&P Minimum Weighted Average Recovery Rate Test**" will be satisfied on any Measurement Date from (and including) the Effective Date if, for each Class of Notes, the S&P Weighted Average Recovery Rate is greater than the percentage corresponding to such Class of Notes set forth in the S&P Matrix based upon the Recovery Rate Set chosen by the Collateral Manager.

"**S&P Weighted Average Recovery Rate**" means, for any Class of Notes, as of any Measurement Date, the number (expressed as a percentage) obtained by summing the products obtained by multiplying the Principal Balance (excluding Purchased Accrued Interest) of each Collateral Obligation (other than any Deferring Security) by its S&P Recovery Rate corresponding to such Class of Notes, dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding up to the nearest 0.1 per cent. For purposes of this rate, the Principal Balance of any Defaulted Obligation shall be deemed to be zero.

The "**S&P Recovery Rate**" means, in respect of each Collateral Obligation (other than any Deferring Security), an S&P Recovery Rate determined in accordance with the Collateral Management and Administration Agreement or as advised by S&P. Extracts of the S&P Recovery Rate currently applicable under the Collateral Management and Administration Agreement are set out in Annex A of this Offering Circular.

The Fitch Maximum Weighted Average Rating Factor Test

"**Fitch Maximum Weighted Average Rating Factor Test**" means that test that will be satisfied, on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Rating Factor as at such date is less than or equal to the applicable level in the Fitch Tests Matrices.

"**Fitch Weighted Average Rating Factor**" is the number determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by its Fitch Rating Factor, dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding the result to the nearest two decimal places.

"**Fitch Rating Factor**" means, in respect of any Collateral Obligation, the number set forth in the table below opposite the Fitch Rating in respect of such Collateral Obligation.

Fitch Rating	Fitch Rating Factor
AAA	0.19
AA+	0.35
AA	0.64
AA-	0.86
A+	1.17

Fitch Rating	Fitch Rating Factor
A	1.58
A-	2.25
BBB+	3.19
BBB	4.54
BBB-	7.13
BB+	12.19
BB	17.43
BB-	22.80
B+	27.80
B	32.18
B-	40.60
CCC+	62.80
CCC	62.80
CCC-	62.80
CC	100.00
C	100.00
D	100.00

The Fitch Minimum Weighted Average Recovery Rate Test

"**Fitch Minimum Weighted Average Recovery Rate Test**" means the test that will be satisfied in respect of the Notes on any Measurement Date from (and including) the Effective Date, if the Fitch Weighted Average Recovery Rate is greater than or equal to the applicable level in the Fitch Tests Matrices.

"**Fitch Weighted Average Recovery Rate**" means, as of any Measurement Date, the rate (expressed as a percentage) determined by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation by the Fitch Recovery Rate in relation thereto and dividing such sum by the Aggregate Principal Balance of all Collateral Obligations and rounding to the nearest 0.1 per cent.

"**Fitch Recovery Rate**" means, with respect to a Collateral Obligation, the recovery rate determined in accordance with paragraphs (i) to (iv) below or (in any case) such other recovery rate as Fitch may notify the Collateral Manager from time to time:

(i) if such Collateral Obligation has a public Fitch recovery rating, or a recovery rating is assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager, the recovery rate corresponding to such recovery rating in the table below (unless 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 Obligation has no public Fitch recovery rating, no recovery rating or an obligation's specific recovery rate is not assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and has a public S&P recovery rating, the recovery rate corresponding to such recovery rating in the table below:

S&P recovery rating	**Fitch recovery rate (%)**
1+	95
1	95
2	80
3	60
4	40
5	20
6	5

(iii) and if such Collateral Obligation has no public Fitch recovery rating, no recovery rating or an obligation's specific recovery rate is not assigned by Fitch in the context of provision by Fitch of a credit opinion to the Collateral Manager and has no public S&P recovery rating, (x) if such Collateral Obligation is a Secured Senior Obligation, the recovery rate applicable to such Secured Senior Obligation 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 Obligation shall be categorised as "Moderate Recovery" if it is an Unsecured Senior Obligation and otherwise "Weak Recovery", and shall fall into the country group corresponding to the country in which the Obligor thereof is Domiciled:

	Group A	**Group B**	**Group C**	**Group D**
Moderate Recovery	40	30	25	20
Weak Recovery	15	5	5	5

The country group of a Collateral 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, Sweden, Switzerland, the UK, the US.

Group B: Belgium, Chile, Cyprus, France, Italy, Luxembourg, Portugal, South Africa, South Korea, Spain, Taiwan.

Group C: Bulgaria, Costa Rica, Croatia, Czech Republic, Estonia, Greece, Hungary, Israel, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Morocco, Panama, Poland, Romania, Slovakia, Slovenia, Thailand, Tunisia, Uruguay.

Group D: Albania, Argentina, Asia Others, Barbados, Bosnia and Herzegovina, Brazil, China, Colombia, Dominican Republic, Eastern Europe Others, Ecuador, Egypt, El Salvador, Guatemala, India, Indonesia, Iran, Jamaica, Kazakhstan, Liberia, Macedonia, Marshall Islands, Middle East and North Africa Others, Moldova, Other Central America, Other South America, Other Sub-Saharan Africa, Pakistan, Peru, Philippines, Puerto Rico, Qatar, Russia, Saudi Arabia, Serbia and Montenegro, Turkey, Ukraine, Venezuela, Vietnam.

The Fitch Minimum Weighted Average Spread Test

The "**Fitch Minimum Weighted Average Spread Test**" means the test which will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Floating Spread as at such Measurement Date equals or exceeds the Fitch Minimum Weighted Average Spread as at such Measurement Date, except that PIK Securities (if the terms of such PIK Securities permit the deferral of all and not just part of the interest in respect thereof) shall be excluded for the purposes of calculating the Fitch Minimum Weighted Average Spread Test herein.

"**Fitch Minimum Weighted Average Spread**" means the weighted average spread (expressed as a percentage) applicable to the current Fitch Tests Matrices selected by the Collateral Manager.

The Fitch Minimum Weighted Average Fixed Coupon Test

The "**Fitch Minimum Weighted Average Fixed Coupon Tes**t" means the test which will be satisfied if, as at any Measurement Date from (and including) the Effective Date, the Weighted Average Coupon as at such Measurement Date equals or exceeds the Fitch Minimum Weighted Average Fixed Coupon as at such Measurement Date.

"**Fitch Minimum Weighted Average Fixed Coupon**" means the weighted average fixed coupon applicable to the current Fitch Tests Matrices selected by the Collateral Manager.

The S&P Minimum Weighted Average Floating Spread Test

The "**S&P Minimum Weighted Average Floating Spread Test**" will be satisfied if, as at any Measurement Date from (and including) the Effective Date the Weighted Average Floating Spread as at such Measurement Date *plus* (for all purposes other than with respect to the S&P CDO Monitor Test) the Excess Weighted Average Coupon as at such Measurement Date exceeds the Minimum Weighted Average Floating Spread as at such Measurement Date, except that PIK Securities shall be excluded for the purposes of calculating the S&P Weighted Average Floating Spread Test herein.

The "**Minimum Weighted Average Floating Spread**", as of any Measurement Date, means the minimum weighted average spread (expressed as a percentage) set forth in the S&P Matrix based upon the S&P Matrix Spread chosen by the Collateral Manager.

The "**Weighted Average Floating Spread**", as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to (A) the Aggregate Spread *plus* (B) (for all purposes other than with respect to the S&P CDO Monitor Test) the Aggregate Excess Spread; *by*

(b) an amount equal to the Aggregate Principal Balance of all Floating Rate Collateral Obligations as of such Measurement Date,

in each case 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 Spread**" is, as of any Measurement Date, the sum of:

(a) in the case of each Floating Rate Collateral Obligation (including only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and Deferring Securities) that bears interest at a spread over EURIBOR, (i) the stated interest rate spread on such Collateral Obligation above EURIBOR *multiplied by* (ii) the Principal Balance of such Collateral Obligation; *provided* that for purposes of this definition, the interest rate spread will be deemed to be, with respect to any Floating Rate Collateral 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 Obligation shall mean EURIBOR as determined pursuant to the Underlying Instrument in respect of such Collateral Obligation);

(b) in the case of each Floating Rate Collateral Obligation (including only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Non-Euro Obligations, Defaulted Obligations and Deferring Securities) 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 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 Obligation;

(c) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities) and subject to a Currency Hedge Transaction, (i) the stated interest rate spread over EURIBOR (in respect of the applicable Hedge Agreement) payable by the applicable Currency Hedge Counterparty to the Issuer under the related Currency Hedge Transaction *multiplied by* (ii) the Principal Balance of such Non-Euro Obligation; and

(d) in the case of each Floating Rate Collateral Obligation which is a Non-Euro Obligation (including only the required current cash pay interest required by the Underlying Instruments thereon, and excluding Defaulted Obligations and Deferring Securities) and which is not subject to a Currency Hedge Transaction, (A) 0.850 multiplied by (B). (i) the interest amount payable by the relevant obligor converted to Euro at the Spot Rate, less (ii) the product of (x) 6-month EURIBOR *multiplied by* (y) the Principal Balance of such Non-Euro Obligation.

The "**Aggregate Excess Spread**" is, as of any Measurement Date, the amount obtained by *multiplying*:

(a) the 6-month EURIBOR during the Accrual Period in which such Measurement Date occurs; *by*

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Obligations (excluding (x) for any Deferring Security, any interest that has been deferred and capitalised thereon and (y) the Principal Balance of any Defaulted Obligation) as of such Measurement Date *minus* (ii) the Reinvestment Target Par Balance.

The "**Excess Weighted Average Coupon**" means a percentage equal as of any Measurement Date to a number obtained by *multiplying* (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon *by* (b) the number obtained by *dividing* the Aggregate Principal Balance of all Fixed Rate Collateral Obligations *by* the Aggregate Principal Balance of all Floating Rate Collateral Obligations.

S&P Minimum Weighted Average Coupon Test.

The "**S&P Minimum Weighted Average Coupon Test"**" will be satisfied on any Measurement 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, as of any Measurement Date (i) if any of the Collateral Obligations are Fixed Rate Collateral Obligations, the minimum weighted average coupon (expressed as a percentage) set forth in the S&P Matrix based upon the S&P Matrix Coupon chosen by the Collateral Manager, and (ii) otherwise zero.

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 Obligations as of such Measurement Date,

in each case excluding, for any Mezzanine Obligation, any interest that has been deferred and capitalised thereon (other than any such interest capitalised pursuant to the terms thereof which is paid for on the date of acquisition of such Mezzanine Obligation) and excluding Defaulted Obligations and Deferring Securities.

The "**Aggregate Coupon**" is, as of any Measurement Date, the sum of (i) with respect to any Fixed Rate Collateral Obligation which is a Non-Euro Obligation and subject to a Currency Hedge Transaction, and excluding Defaulted Obligations and Deferring Securities, 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 Obligation which is a Non-Euro Obligation which is not subject to a Currency Hedge Transaction and excluding Defaulted Obligations and Deferring Securities, an amount equal to the product of (x) 0.850, (y) the stated coupon

on such Collateral Obligation expressed as a percentage and (z) the Principal Balance of such Non-Euro Obligation, and (iii) with respect to all other Fixed Rate Collateral Obligations and excluding Defaulted Obligations and, Deferring Securities, the sum of the products obtained by *multiplying*, in the case of each Fixed Rate Collateral Obligation (including, for any Deferring Security, only the required current cash pay interest required by the Underlying Instruments thereon), (x) the stated coupon on such Collateral Obligation expressed as a percentage and (y) the Principal Balance of such Collateral Obligation.

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any Measurement Date to a number obtained by *multiplying* (a) the excess, if any, of the Weighted Average 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 Obligations *by* the Aggregate Principal Balance of all Fixed Rate Obligations.

The Weighted Average Life Test

The "**Weighted Average Life Test**" will be satisfied on any Measurement Date if the Weighted Average Life as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such Measurement Date to 19 December 2021.

"**Weighted Average Life**" is, as of any Measurement Date with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the Principal Balance of such Collateral Obligation and dividing such sum by:

(b) the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

"**Average Life**" is, on any Measurement Date with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such Measurement Date to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Rating Definitions

S&P Ratings Definitions

"**Information**" means any available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) if there is an issuer credit rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guarantee approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, *provided that* private ratings (that is, ratings provided at the request of the Obligor) may be used for purposes of this definition if the related Obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P);

(b) if there is no issuer credit rating of the issuer or guarantor by S&P but:

    (i) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category (if such rating is A- or higher) or two sub-categories (if such rating is below A-) below such rating;

(ii) if clause (i) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and

(iii) if neither clause (i) nor clause (ii) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating if such rating is higher than "BB+", and shall be two sub-categories above such rating if such rating is "BB+" or lower; or

(c) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (i) and (ii) below:

(i) if an obligation of the issuer is publicly rated by Moody's Investors Services, Inc. and any successor or successors thereto ("**Moody's**"), then the S&P Rating will be determined in accordance with the methodologies for establishing such Moody's rating, but by reference to the Moody's equivalent ratings, except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's rating if such Moody's rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's rating if such Moody's rating is "Ba1" or lower, provided that in each case, the S&P Rating will be a further sub-category below the S&P equivalent of the Moody's rating of the applicable obligation if the relevant Moody's rating is on "credit watch negative" by Moody's;

(ii) if no such Moody's public rating is available, the S&P Rating may be based on a credit estimate provided by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the settlement date for the acquisition of such Collateral Obligation, apply (and concurrently submit all available Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating, provided however that:

(A) if such information is submitted prior to or within such 30-day period, then, for a period of up to 90 days after acquisition of such Collateral Obligation by the Issuer and pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager acting in a commercially reasonable manner if (A) the Collateral Manager certifies to the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and will be at least equal to such rating and (B) the Aggregate Principal Balance of the Collateral Obligations subject to a S&P Rating determined by the Collateral Manager in accordance with (A) does not exceed 5 per cent. of the Collateral Principal Amount (for which purposes the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and Fitch Collateral Value);

(B) if such estimate is not received from S&P within such 90-day period set forth above, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request, such Collateral Obligations will continue to have the S&P Rating determined in accordance with the Collateral Manager's determination above;

(C) such credit estimate shall expire 12 months after the acquisition of such Collateral Obligation, following which such Collateral Obligation shall be deemed to have no S&P Rating unless, during such 12-month period, the Issuer (or the Collateral Manager acting on behalf of the Issuer) applies for renewal thereof in accordance with the Collateral Management and Administration Agreement in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; and

(D) such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the acquisition of such Collateral Obligation and (when renewed annually in accordance with the Collateral Management and Administration Agreement) on each 12-month anniversary thereafter,

provided that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating, (y) if the applicable rating assigned by S&P to an Obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating and (z) other than in the case of paragraph (c)(ii) above, only ratings assigned on the basis of ongoing surveillance will be applicable for the purposes of this definition.

Fitch Ratings Definitions

The "**Fitch Rating**" of any Collateral 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 Obligation in respect of which there is a Fitch issuer default rating, whether public or privately provided to the Collateral Manager following notification by the Collateral Manager that the Issuer has entered into a binding commitment to acquire such Collateral Obligation (the "**Fitch Issuer Default Rating**"), the Fitch Rating shall be such Fitch Issuer Default Rating;

(b) if the Obligor thereof has an outstanding long-term financial strength rating from Fitch (the "**Fitch LTSR**"), then the Fitch Rating shall be one notch lower than such Fitch LTSR;

(c) if in respect of any other obligation of the Obligor or its Affiliates, there is a publicly available rating by Fitch, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating;

(d) if in respect of the Collateral Obligation there is a Moody's CFR, a Moody's Long Term Issuer Rating, or an S&P Issuer Credit Rating, then the Fitch Rating shall be the rating that corresponds to the lowest thereof;

(e) if in respect of the Collateral Obligation, there is an Insurance Financial Strength Rating, then the Fitch Rating shall be one notch lower than such Insurance Financial Strength Rating;

(f) if in respect of the Collateral Obligation there is a Moody's/S&P Corporate Issue Rating, then the Fitch Rating shall be the Fitch IDR Equivalent determined by applying the Fitch Rating Mapping Table (as defined below) to such rating; or

(g) if a Fitch Rating cannot otherwise be assigned, the Collateral Manager, on behalf of the Issuer, shall apply to Fitch for a credit opinion which shall then be the Fitch Rating or shall agree a rating with Fitch which shall then be the Fitch Rating, provided that pending receipt from Fitch of any credit opinion, the applicable Collateral Obligation shall either be deemed to have a Fitch Rating of "B-", subject to the Collateral Manager believing (in its reasonable judgement) that such credit assessment will be at least "B-" or the rating specified as applicable thereto by Fitch pending receipt of such credit assessment.

For the purposes of determining the Fitch Rating, the following definitions shall apply, provided always that (i) if a debt security or obligation of the Obligor has been in default during the past two years, the Fitch Rating of such Collateral Obligation shall be treated as "D", (ii) with respect to any Current Pay Obligation that is rated "D" or "RD", the Fitch Rating of such Current Pay Obligation will be "CCC", and provided further that (x) if the applicable Collateral Obligation has been put on rating watch negative for possible downgrade by Fitch, then the rating used to determine the Fitch Rating above shall be one rating subcategory below such rating by Fitch, and (y) notwithstanding the rating definition described above, Fitch reserves the right to use a credit opinion or a rating estimate for any Collateral Obligations at any time.

"**Fitch IDR Equivalent**" means, in respect of any rating described in the Fitch Rating Mapping Table, the equivalent Fitch Issuer Default Rating determined by increasing (or reducing, in the case of a negative number) such rating (or the nearest Fitch equivalent thereof) by the number of notches specified under "Mapping Rule" in the fourth column of the Fitch Rating Mapping Table.

"**Fitch Rating Mapping Table**" means the following table:

Rating Type	**Applicable Rating Agency(ies)**	**Issue rating**	**Mapping Rule**
Corporate family rating or long term issuer rating	Moody's	n/a	+0
Issuer credit rating	S&P	n/a	+0
Senior unsecured	Fitch, Moody's or S&P	Any	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BBB-" or above	+0
Senior, senior secured or subordinated secured	Fitch or S&P	"BB+" or below	-1
Senior, senior secured or subordinated secured	Moody's	"Ba1" or above	-1
Senior, senior secured or subordinated secured	Moody's	Below "Ba2", but at or above "Ca"	-2
Senior, senior secured or subordinated secured	Moody'	"Ca"	-1
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B+" / "B1" or above	+1
Subordinated, junior subordinated or senior subordinated	Fitch, Moody's or S&P	"B" / "B2" or below	+2

"**Insurance Financial Strength Rating**" means, in respect of a Collateral Obligation, the lower of any applicable public insurance financial strength rating by S&P or Moody's in respect thereof.

"**Moody's CFR**" means, in respect of a Collateral Obligation, a publicly available corporate family rating by Moody's in respect of the Obligor thereof.

"**Moody's Long Term Issuer Rating**" means, in respect of a Collateral Obligation, a publicly available long term issuer rating by Moody's in respect of the Obligor thereof.

"**Moody's/S&P Corporate Issue Rating**" means, in respect of a Collateral Obligation, the publicly available issue rating by Moody's and/or S&P in respect of any other obligation of the Obligor or any of its Affiliates.

"**S&P Issuer Credit Rating**" means in respect of a Collateral Obligation, a publicly available issuer credit rating by S&P in respect of the Obligor thereof.

The Coverage Tests

The Coverage Tests will consist of the Class A/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 and the Subordinated Notes, whether Principal Proceeds may be reinvested in additional Collateral Obligations or Substitute Collateral 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 Notes and, 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 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 to the extent necessary to cause the Class D Coverage Tests to be satisfied if recalculated immediately following such redemption; or, in the event of failure of the Class E Coverage Tests, to (i) in the case of Interest Proceeds, to pay principal on the Class E Notes until the Class E Coverage Tests are satisfied if recalculated immediately following such redemption (such redemption of the Class E Notes applying Interest Proceeds to occur notwithstanding that other Classes of Notes ranking higher than the Class E Notes remain Outstanding) and (ii) in the case of Principal Proceeds, 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 Measurement 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 Tests and shall be satisfied on a Measurement Date if the corresponding Par Value Ratio or Interest Coverage Ratio (as the case may be) is at least equal to the percentage specified in the table below in relation to that Coverage Test.

Coverage Test and Ratio	Percentage at Which Test is Satisfied
Class A/B Par Value	131.78%
Class A/B Interest Coverage	120.00%
Class C Par Value	123.11%
Class C Interest Coverage	115.00%
Class D Par Value	116.36%
Class D Interest Coverage	110.00%
Class E Par Value	107.82%
Class E Interest Coverage	105.00%

The Reinvestment Overcollateralisation Test

If the Reinvestment Overcollateralisation Test is not met as of any Measurement Date on and after the Effective Date until the end of the Reinvestment Period, Interest Proceeds shall be paid to the Principal Account during the Reinvestment Period, to be applied for the purpose of the acquisition of additional Collateral Obligations in the Required Diversion Amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment pursuant to paragraph (T) of the Interest Priority of Payments and (2) the amount which, after giving effect to the payment of all amounts payable in respect of (A) through (S) (inclusive) of the Interest Priority of Payments,

would be sufficient to cause the Reinvestment Overcollateralisation Test to be met as of the relevant Measurement Date after giving effect to any payments made pursuant to paragraph (T) of the Interest Priority of Payments.

	Percentage At Which Test Is Satisfied
Reinvestment Overcollateralisation Test	108.38%

DESCRIPTION OF THE COLLATERAL MANAGEMENT AND ADMINISTRATION AGREEMENT

The following description of the Collateral Management and Administration Agreement consists of a summary of certain provisions of the Collateral Management and Administration Agreement which does not purport to be complete and is qualified by reference to the detailed provisions of such agreement. Capitalised terms used in this section and not defined in this Offering Circular shall have the meaning given to them in the Collateral Management and Administration Agreement.

General

The Collateral Manager will perform certain investment management functions, including, without limitation, supervising and directing the investment and reinvestment of the Collateral Obligations and Eligible Investments, and perform certain administrative and advisory functions on behalf of the Issuer in accordance with the applicable provisions of the Collateral Management and Administration Agreement. The Collateral Management and Administration Agreement contains procedures whereby the Collateral Manager will have discretionary authority of the Issuer in relation to the composition, acquisition and management of the Portfolio.

Duties of the Collateral Manager

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be responsible for the management of the Collateral Obligations, including, without limitation, evaluating, selecting and monitoring the Collateral Obligations, directing the Issuer and the Collateral Administrator with respect to acquisitions and sales of Collateral Obligations, exercising voting or other rights with respect to the Collateral Obligations, attending meetings and otherwise representing the interests of the Issuer in connection with the management of the Collateral Obligations, providing notices to and requesting, directing, disputing and approving action on the part of the Issuer and certain related functions. In addition, pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Manager will be required to assist the Issuer with respect to any Hedge Agreements (to the extent any such agreement is entered into by the Issuer). Pursuant to the terms of the Collateral Management and Administration Agreement and the Trust Deed, the Collateral Manager will be required to perform its obligations (including in respect of any exercise of discretion) with reasonable care (i) using a degree of skill and attention consistent with practices and procedures followed by reputable institutional collateral managers of international standing managing investments or advising in respect of assets and liabilities similar in nature and character to those which the Collateral Manager is managing pursuant to the Transaction Documents and (ii) without limitation to (i) above, no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and others having similar investment objectives and restrictions and (iii) to the extent not inconsistent with the foregoing, in a manner consistent with the Collateral Manager's customary standards, policies and procedures in performing its duties under the Transaction Documents (the "**Standard of Care**"); *provided that* the Collateral Manager will not be liable for any losses or damages resulting from any failure to satisfy the foregoing Standard of Care except by reason of acts or omissions constituting bad faith, fraud, wilful misconduct, negligence, or a material breach in the performance of the obligations of the Collateral Manager under the Collateral Management and Administration Agreement or any representation or warranty made by the Collateral Manager in the Collateral Management and Administration Agreement proving to have been incorrect in any material respect when made (collectively, a "**Collateral Manager Breach**"). To the extent not inconsistent with the foregoing, the Collateral Manager will be required to follow its customary standards, policies and procedures in performing its duties under the Collateral Management and Administration Agreement and under the other Transaction Documents. The Issuer will indemnify the Collateral Manager against liabilities incurred in performing its duties thereunder; *provided that* the Issuer will not indemnify the Collateral Manager for any liabilities incurred as a result of any Collateral Manager Breach.

Pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer will be required to prepare certain reports with respect to the Collateral Obligations. The Collateral Administrator will assist the Issuer and the Collateral Manager in compiling these reports. The Collateral Manager will agree in the Collateral Management and Administration Agreement that it will cooperate with the Collateral Administrator in the preparation of such reports.

Retention

Pursuant to the Collateral Management and Administration Agreement, the Collateral Manager will:

(a) undertake to subscribe for and hold on an ongoing basis for so long as any Class of Notes remains Outstanding, Subordinated Notes with an initial principal amount representing not less than 5 per cent. of the Maximum Par Amount (the "**Retention Notes**");

(b) agree not to sell, hedge or otherwise mitigate its credit risk under or associated with the Retention Notes, except to the extent permitted in accordance with the Retention Requirements;

(c) subject to any regulatory requirements, agree (i) to take such further reasonable action, provide such information, on a confidential basis, and enter into such other agreements as may reasonably be required to satisfy the Retention Requirements and (ii) to provide to the Issuer, on a confidential basis, information in the possession of the Collateral Manager relating to its holding of the Retention Notes, at the cost and expense of the party seeking such information, and to the extent such information is not subject to a duty of confidentiality, at any time prior to maturity of the Notes;

(d) agree to confirm its continued compliance with the covenants set out at paragraphs (a) and (b) above (which confirmation may be provided by email) (i) to the Collateral Administrator on a monthly basis and (ii) at any other time promptly upon a request made by any of the Trustee, the Collateral Administrator, an Arranger or the Issuer;

(e) agree that it shall promptly notify the Issuer if for any reason it (i) ceases to hold the Retention Notes in accordance with (a) above or (ii) fails to comply with the covenants set out in (a) or (b) in any material way; and

(f) represent and warrant that it is a (a) "credit institution" for the purposes of the CRR and (b) a "sponsor" for the purposes of the Retention Requirements and will continue to retain the Retention Notes pursuant to paragraph (a) above in such capacity.

If the Collateral Manager is removed or resigns in accordance with the Collateral Management and Administration Agreement:

(i) the Collateral Manager may transfer the Retention Notes to such successor to the extent such transfer is permitted or required in accordance with the Retention Requirements and provided that such transfer would not cause the transaction described in the Notes to cease to be compliant with the Retention Requirements, in which case such successor Collateral Manager shall, by way of entry into of the Collateral Management and Administration Agreement, commit to acquire and retain the Retention Notes; or

(ii) if such transfer of the Retention Notes to such successor Collateral Manager is not permitted pursuant to the Retention Requirements or would otherwise cause the transaction described in the Notes to cease to be compliant with the Retention Requirements, the Collateral Manager shall continue to be bound by the provisions of the Collateral Management and Administration Agreement in respect of the Retention Notes and such provisions shall not apply to such successor.

Prospective investors should consider the discussion in "*Risk Factors –Regulatory Initiatives*" above.

Compensation of the Collateral Manager

As compensation for the performance of its obligations under the Collateral Management and Administration Agreement, the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will be entitled to receive from the Issuer on each Payment Date a senior collateral management fee equal to 0.125 per cent. per annum of the Adjusted Collateral Principal Amount measured as of the last day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, which collateral

management fee will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer in accordance with the Priorities of Payments (such fee, the "**Senior Management Fee**").

The Collateral Management and Administration Agreement provides that the Collateral Manager (and/or, at its direction, an Affiliate of the Collateral Manager) will receive from the Issuer on each Payment Date a subordinated collateral management fee equal to 0.375 per cent. per annum of the Adjusted Collateral Principal Amount measured as of the last day of the Due Period (or if such day is not a Business Day, the next day which is a Business Day) immediately preceding such Payment Date, as determined by the Collateral Administrator, which collateral management fee will be payable senior to the payments on the Subordinated Notes, but subordinated to the Rated Notes (such fee, the "**Subordinated Management Fee**").

Each of the Senior Management Fee and the Subordinated Management Fee shall be calculated based upon the actual number of days elapsed in the applicable Due Period divided by 360 and, subject to the paragraph below, shall not include any VAT payable on such Senior Management Fee and the Subordinated Management Fee.

If amounts distributable on any Payment Date in accordance with the Priorities of Payments are insufficient to pay the Senior Management Fee or the Subordinated Management Fee in full, then a portion of the Senior Management Fee or Subordinated Management, as applicable, equal to the shortfall will be deferred and will be payable on subsequent Payment Dates on which funds are available therefor according to the Priorities of Payments.

The Collateral Manager, in respect of any Collateral Management Fees due to be paid to it on a Payment Date, may elect to (i) defer any Senior Management Fees and Subordinated Management Fees, (ii) waive any Senior Management Fees and Subordinated Management Fees and/or (iii) direct the Issuer to pay any Senior Management Fees and/or Subordinated Management Fees, or any part thereof, to a party of its choice. Any amounts so deferred pursuant to (i) above or waived pursuant to (ii) above shall be applied in accordance with the Priorities of Payments. To the extent that the Collateral Manager elects to defer all or a portion thereof and later rescinds such deferral election, the Deferred Senior Collateral Management Amounts and/or the Deferred Subordinated Collateral Management Amounts, as applicable, will be payable on subsequent Payment Dates 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 shall accrue interest at a rate per annum equal to six month EURIBOR (calculated on the basis of a 360 day year and the actual number of days elapsed in such Due Period). Any amounts so waived pursuant to (ii) above will cease to become due and payable and will not become due and payable at any time. Any amounts directed to be paid by the Collateral Manager to another party pursuant to (iii) above will cease to become due and payable to the Collateral Manager upon proper receipt of those amounts by the nominated party. In addition, in accordance with Condition 3(c) (*Priorities of Payments*), the Collateral Manager may, in its sole discretion, elect to designate that the Senior Management Fee and/or the Subordinated Management Fee be designated for reinvestment or deferred to be used to purchase additional Collateral Obligations.

The Collateral Management and Administration Agreement also provides that the Collateral Manager will be entitled to an Incentive Collateral Management Fee on each Payment Date on which the Incentive Collateral Management Fee IRR Threshold has been met or surpassed, such fee being in an amount equal to 10.0 per cent. of any Interest Proceeds and Principal Proceeds (after any payment required to satisfy the Incentive Collateral Management Fee IRR Threshold) that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payment (such fee, the "**Incentive Collateral Management Fee**"). The Collateral Manager may, at its sole discretion designate, waive or reinvest in additional Collateral Obligations all or a part of the Incentive Collateral Management Fee.

Upon the appointment of a successor Collateral Manager pursuant to the terms of the Collateral Management and Administration Agreement, the Issuer and such successor Collateral Manager may agree (subject to the approval of the Controlling Class acting by Ordinary Resolution) to amend the Collateral Management Fees, provided that such Collateral Management Fees are no greater than what would otherwise have been paid to the original Collateral Manager.

Except as otherwise agreed by the Issuer and the Collateral Manager, the costs and expenses (including the fees and disbursements of counsel and accountants but excluding all overhead costs and employees' salaries) of the Collateral

Manager and of the Issuer incurred in connection with the negotiation, preparation and execution of the Transaction Documents and any amendments thereto, and all matters incidental thereto, shall be borne by the Issuer. Subject to the provisions relating to Administrative Expenses in the Priorities of Payments, the Issuer will reimburse the Collateral Manager for expenses including fees and out-of-pocket expenses reasonably incurred by the Collateral Manager in connection with services provided under the Collateral Management and Administration Agreement.

Fees payable to, and costs and expenses of, the Collateral Manager, shall accrue up to the date on which the Collateral Manager's appointment is terminated or the Collateral Manager resigns its appointment, as described further below. If the Collateral Management and Administration Agreement is terminated pursuant to the terms thereof or otherwise, the Collateral Management Fee calculated as provided in the Collateral Management and Administration Agreement shall be pro–rated for any partial periods between Payment Dates during which the Collateral Management and Administration Agreement was in effect and shall be due and payable on the first Payment Date following the date of such termination subject to the Priorities of Payments. For the avoidance of doubt, where the Collateral Manager has resigned or has been removed, but is required to continue providing collateral management services until a successor has been appointed in accordance with the terms herein, the Collateral Manager shall continue to be entitled to the Collateral Management Fees until such successor has been appointed.

Termination of the Collateral Management and Administration Agreement

Removal for Cause

The Collateral Manager may be removed for cause by (i) the Issuer at the direction of the Controlling Class (acting by Ordinary Resolution) or (ii) (other than in the case of paragraph (viii) of the definition of "cause") holders of the Subordinated Notes acting by Extraordinary Resolution (in each case, excluding Notes held by the Collateral Manager or any of its Affiliates) upon 10 (or, in the case of paragraph (viii) of the definition of “cause”, 90) Business Days' prior written notice to the Collateral Manager, the Trustee and each Rating Agency. For purposes of any such termination of the Collateral Management and Administration Agreement, "**cause**"" means any one of the following events:

(i) the Collateral Manager wilfully breaches, or wilfully takes any action that it knows violates any material provision of the Collateral Management and Administration Agreement or any other Transaction Document applicable to the Collateral Manager;

(ii) the Collateral Manager breaches any material provision of the Collateral Management and Administration Agreement or any terms of any other Transaction Document applicable to it that, either individually or in the aggregate, has 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 clause (ii) any actions referred to in clause (i) above or clause (v) below) 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 as described in the Collateral Management and Administration Agreement;

(iv) the occurrence of an Event of Default pursuant to any of Condition 10(a)(i) (*Non payment of interest*), Condition 10(a)(ii) (*Non payment of principal*) and Condition 10(a)(iv) (*Collateral Obligations*);

(v) any legal, regulatory or other authorisations which are necessary for the performance of the Collateral Manager's obligations under any applicable laws are not in place or the performance by the Collateral Manager in accordance with the Collateral Management and Administration Agreement and the other Transaction Documents is in breach of any applicable laws, except for those jurisdictions in which the failure to be so qualified, authorised or licensed would not have a material adverse effect on the business, operations, assets or financial condition of the Collateral Manager or on the ability of the Collateral Manager to perform its obligations under, or on the validity or enforceability of, the Collateral Management and Administration Agreement;

(vi) any action is taken by the Collateral Manager, or any of its senior executive officers involved in the management of any of the Collateral Obligations, that constitutes fraud or criminal activity in connection with the performance of the Collateral Manager's obligations under the Collateral Management and Administration Agreement;

(vii) the Collateral Manager is indicted, or any of its 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 asset management business, unless, in the case of a conviction of a senior executive officer of the Collateral Manager, such senior executive officer has, within 30 days after such occurrence, been removed from performing work in fulfilment of the Collateral Manager's obligations under the Collateral Management and Administration Agreement; or

(viii) in the event the Class A/B Par Value Ratio is less than 100 per cent. and, if no Class A Notes or Class B Notes are Outstanding, in the event the Class C Par Value Ratio is less than 100 per cent., and, if no Class A Notes, Class B Notes or Class C Notes are Outstanding, in the event that the Class D Par Value Ratio is less than 100 per cent. and, if no Class A Notes, Class B Notes, Class C Notes or Class D Notes are Outstanding, in the event that the Class E Par Value Ratio is less than 100 per cent..

Pursuant to the terms of the Collateral Management and Administration Agreement, if the Collateral Manager becomes aware that any of the events specified in clauses (i) through (vii) (inclusive) above have occurred, the Collateral Manager will be required to give prompt written notice thereof to the Issuer, the Trustee, the Collateral Administrator, the holders of all outstanding Notes and each Rating Agency upon the Collateral Manager becoming aware of the occurrence of such event.

Removal without Cause

Any holder of Notes of the Controlling Class may, at any time by way of notice to the Issuer (acting through the Directors) require the Issuer to give notice to the Noteholders of the Controlling Class pursuant to Condition 16 (*Notices*) requesting such Noteholders to confirm whether they wish to direct the Issuer (acting through its Directors) to remove the Collateral Manager (as described in the paragraph below) and specifying that the Noteholders of the Controlling Class shall have 10 Business Days to give such confirmation.

If, within 10 Business Days of delivery of such notice, the Issuer has received written direction from holders of more than 50 per cent. of the Principal Amount Outstanding of the Controlling Class (and for such purposes Notes of the Controlling Class owned by the Collateral Manager or any of its Affiliates shall be disregarded and deemed not to be Outstanding) to remove the Collateral Manager, the Issuer (acting through its Directors) shall remove the Collateral Manager by giving 60 days' prior written notice to the Collateral Manager (copied to the Trustee and the Noteholders pursuant to Condition 16 (*Notices*)), subject to the appointment of a successor Collateral Manager which (a) is not at such time or at the time of the vote a holder of Notes in the Controlling Class or an Affiliate of a holder of Notes in the Controlling Class or a Director and (b) meets the requirements set out in the Collateral Management and Administration Agreement and as described in "*Successor Requirements*" below.

For the avoidance of doubt, the right to remove the Collateral Manager described above is in addition to the ability of Noteholders to direct a removal of the Collateral Manager as described in "*Removal for Cause*" above.

Annual review by Directors

The Issuer (acting through the Directors) shall, in a board meeting of the Directors no less frequently than annually, review the appointment of the Collateral Manager pursuant to the Collateral Management and Administration Agreement. If, at such time of such board meeting, the Noteholders of the relevant Class have directed that the Issuer remove the Collateral Manager pursuant to either "*Removal for Cause*" or "*Removal without Cause*" above, the Directors shall effect such removal on behalf of the Issuer pursuant to the requirements of such section above. If no such direction has been given by the Noteholders of the relevant Class, the Directors shall re-confirm the appointment of the Collateral Manager.

Actions pending Removal

During the period between the Issuer notifying the Collateral Manager that it is to be removed pursuant to "*Removal for Cause*" or "*Removal without Cause*" above and the appointment of a successor Collateral Manager, notwithstanding any other provision of the Collateral Management and Administration Agreement, the Collateral Manager may not effect any purchases or sales of Collateral Obligations on behalf of the Issuer, other than sales of Collateral Obligations in relation to the sale of Credit Risk Obligations or Defaulted Obligations, without the prior approval of the Controlling Class acting by way of Ordinary Resolution for such purchases or sales, as applicable.

Automatic Termination

The Collateral Management and Administration Agreement shall be automatically terminated upon the earliest to occur of (a) the repayment in full of all amounts owing under or in respect of the Notes and all other amounts owing to the Secured Parties and the termination of the Trust Deed in accordance with its terms; (b) the liquidation of the Portfolio and the final distribution of the proceeds of such liquidation as provided in the Trust Deed; and (c) the Issuer determining in good faith that the Issuer or the Portfolio has become required to register as an investment company under the provisions of the Investment Company Act (without an available exemption) by virtue of any action taken by the Collateral Manager, and the Issuer notifies the Collateral Manager of such requirement.

Resignation

The Collateral Manager may resign, upon 45 days' (or such shorter notice as is acceptable to the Issuer) written notice to the Issuer, the Trustee, the Collateral Administrator 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.

Appointment of Successor

Upon any removal or resignation of the Collateral Manager, to the extent it is permitted to do so in compliance with any applicable law or regulation, the Collateral Manager will continue to act in such capacity until a successor Collateral Manager has been appointed in accordance with the terms of the Collateral Management and Administration Agreement.

Within 120 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, the Subordinated Noteholders (excluding Subordinated Notes held by the Collateral Manager or any of its Affiliates) acting by Ordinary Resolution may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes. The Controlling Class (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. If the Subordinated Noteholders (acting by Ordinary Resolution) make no such proposal within such 120-day period, the Controlling Class (acting by Ordinary Resolution) may propose a successor Collateral Manager by delivering notice thereof to the Issuer, the Trustee and the holders of the Notes; *provided that* no such proposed successor Collateral Manager may be an Affiliate of a holder of the Controlling Class. The Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, object to such successor Collateral Manager by delivery of notice of such objection to the Issuer and the Trustee. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. Within 30 days of receipt of notice of any such objection, either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may propose a successor Collateral Manager by written notice to the Trustee, the Issuer and the holders of the Notes and either the Controlling Class (acting by Ordinary Resolution) or the Subordinated Noteholders (acting by Ordinary Resolution) may, within 30 days from receipt of such notice, deliver to the Issuer and the Trustee notice of objection thereto. If no notice of objection is received by the Issuer and the Trustee within such time period, such proposed successor Collateral Manager will be appointed Collateral Manager by the Issuer. If a notice of objection is received within 30 days, then either group of Noteholders may again propose a successor Collateral Manager in accordance with the foregoing. Notwithstanding the above, if no successor Collateral Manager has been appointed within 150 days following the date of resignation, termination or removal of the Collateral Manager, the Issuer will appoint a successor Collateral Manager proposed by the Controlling Class (acting by Ordinary Resolution) so long as such successor Collateral Manager (i) is not a Person that was previously

objected to by the Subordinated Noteholders (acting by Ordinary Resolution) and (ii) is not an Affiliate of a holder of the Controlling Class. If, pursuant to "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above and the Retention Requirements, such successor Collateral Manager is to be the relevant retention party for the purposes of the Retention Requirements, its appointment shall be conditional on it being regarded as a "sponsor" for the purposes of the Retention Requirements and acquiring and retaining the Retention Notes in accordance with "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above on and from the date that its appointment takes effect.

Any replacement Collateral Manager must satisfy the conditions described below under "*Successor Requirements*".

Assignment by Collateral Manager

The Collateral Management and Administration Agreement provides that, except as described in the following paragraphs, no rights or obligations under the Collateral Management and Administration Agreement (or any interest therein) may be assigned or delegated by the Collateral Manager. In addition, no such assignment or delegation by the Collateral Manager will be effective if such assignment is to a transferee that does not qualify as an eligible successor as described below under "*Successor Requirements.*"

The Collateral Manager is permitted to assign its rights and delegate its duties under the Collateral Management and Administration Agreement to any transferee or delegate (including Affiliates) so long as (i) such assignment or delegation is consented to by the Issuer, the Controlling Class (acting by Ordinary Resolution) and the Subordinated Noteholders (excluding any Subordinated Notes held by or on behalf of the Collateral Manager or any of its Affiliates) acting by Ordinary Resolution, (ii) each Rating Agency has confirmed in writing that the then-current rating assigned by such Rating Agency to any of the Notes will not be reduced, withdrawn or qualified as a result of such assignment or delegation, (iii) such transferee or delegate being legally qualified and having the regulatory capacity as a matter of Dutch law act as such, including offering portfolio management services to Dutch residents, (iv) such assignment or delegation not causing the Issuer to become chargeable to taxation in any jurisdiction other than The Netherlands (v) such assignment not causing additional value added tax to become payable by the Issuer or the assignee in respect of the Collateral Management Fees and (vi) if pursuant to "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" and the Retention Requirements, such transferee or delegate is to be the relevant retention party for the purposes of the Retention Requirements, the appointment of such transferee or delegate will be conditional upon it being regarded as a "sponsor" for the purposes of the Retention Requirements and it acquiring and retaining the Retention Notes in accordance with "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above on and from the date that its appointment takes effect. Any transferee or delegate must satisfy the conditions described above under "*Appointment of Successor*".

Any assignment in accordance with the Collateral Management and Administration Agreement will bind the assignee in the same manner as the Collateral Manager is bound. Upon the execution and delivery of a counterpart of the Collateral Management and Administration Agreement by the assignee, the Collateral Manager will be released from further obligations under the Collateral Management and Administration Agreement, except with respect to (x) its agreements and obligations arising under various sections of the Collateral Management and Administration Agreement in respect of acts or omissions occurring prior to such assignment and (y) its obligations under the Collateral Management and Administration Agreement in respect of acts upon termination. Any rights of the Collateral Manager stated to survive the termination of the Collateral Management and Administration Agreement, shall remain vested in the Collateral Manager after the termination in accordance with the terms of the Collateral Management and Administration Agreement.

In addition, the Collateral Manager may employ third parties (including Affiliates) to render advice (including investment advice) and assistance to the Issuer; *provided*, that (A) the Collateral Manager will not be relieved of any of its duties under the Collateral Management and Administration Agreement as a result of such employment of third parties and (B) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer under the Collateral Management and Administration Agreement. The Collateral Manager may not, however, assign or delegate any of its rights or responsibilities, nor permit Affiliates or third parties to perform services on its behalf, if such assignment, delegation or permission would cause the Issuer to be subject to tax in any jurisdiction outside its jurisdiction of incorporation.

Successor Requirements

Any removal or resignation of the Collateral Manager as described above that occurs while any Notes are outstanding under the Trust Deed will be effective only if (i) 10 days' prior notice is given to the Rating Agencies, the Trustee and the Noteholders (and in relation to the Trustee and the Noteholders such notice shall include the terms of appointment of the successor Collateral Manager, including any side letters or personal arrangements between the successor Collateral Manager and any Noteholder), (ii) Rating Agency Confirmation has been received from each Rating Agency in respect of such termination and assumption by an eligible successor and (iii) the Issuer appoints an established institution as a successor Collateral Manager (1) that has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management and Administration Agreement with a substantially similar (or better) level of expertise, (2) that is legally qualified and has the capacity (including Dutch regulatory capacity to provide Collateral Management services to Dutch counterparties as a matter of the laws of The Netherlands) to act as Collateral Manager under the Collateral Management and Administration Agreement in the assumption of all of the responsibilities, duties and obligations of the Collateral Manager under the Collateral Management and Administration Agreement and under the applicable terms of the other Transaction Documents, (3) the appointment of which will not cause any of the Issuer, the Portfolio or the Collateral Manager to become required to register under the provisions of the Investment Company Act, (4) the appointment and conduct of which will not cause the Issuer to be subject to net income taxation outside its jurisdiction of incorporation or to be engaged in a trade or business in the United States for U.S. federal income tax purposes, result in the Collateral Management Fees becoming subject to value added or similar tax or cause any other material adverse tax consequences to the Issuer, (5) in the case of a removal of the Collateral Manager pursuant to "*Removal without Cause*" above, that is not at such time or at the time of a vote in accordance with the section "*Removal without Cause*" above, a holder of Notes in the Controlling Class or an Affiliate of a holder of Notes in the Controlling Class or a Director and (6) if, pursuant to "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above, and the Retention Requirements, it is to be the relevant retention party for the purposes of the Retention Requirements, which is regarded as a "sponsor" for the purposes of the Retention Requirements and which acquires and retains the Retention Notes in accordance with "*Description of the Collateral Management and Administration Agreement – Retention Requirements*" above on and from the date that its appointment takes effect. The Issuer, the Trustee and the successor Collateral Manager will take such action (or cause the outgoing Collateral Manager to take such action) consistent with the Collateral Management and Administration Agreement and the terms of the other Transaction Documents as will be necessary to effectuate any such succession. No termination of the appointment of the Collateral Manager will be effective until a successor Collateral Manager is duly appointed. Any resignation, termination or removal of the Collateral Manager must satisfy the conditions described above under "*Appointment of Successor*".

No Voting Rights

Any Notes held by or on behalf of the Collateral Manager or any of its Affiliates:

(i) will have no voting rights with respect to any vote (or written direction or consent) in connection with:

  (a) the removal of the Collateral Manager for "cause" pursuant to the "*Removal for Cause*" process described above;

  (b) the removal of the Collateral Manager without "cause" at any time pursuant to the "*Removal without Cause*" process described above;

  (c) the appointment of a successor Collateral Manager;

  (d) the assignment or delegation by the Collateral Manager of its obligations under the Collateral Management and Administration Agreement; or

  (e) a redemption of the Notes at the option of the Subordinated Noteholders pursuant to Conditions 7(b)(i)(A) (*Optional Redemption – Subordinated Noteholders*); and

(ii) will be deemed not to be Outstanding in connection with any such vote,

provided, however, that any Notes held by the Collateral Manager and/or its Affiliates will have voting rights (including in respect of written directions and consents) with respect to all other matters as to which Noteholders are entitled to vote. Prior to any vote (or written direction or consent) the Collateral Manager shall notify the Issuer and the Trustee of the aggregate outstanding principal amount of any Notes held by the Collateral Manager at the time of such notification.

Cross-transactions with the Collateral Manager

The Collateral Manager will cause any purchase of or entry into or sale, termination or other disposal of Portfolio assets to be effected on an arm's length basis, provided that, subject to and in accordance with the Collateral Management and Administration Agreement, the Collateral Manager shall cause any transaction between the Issuer and itself or any of its Affiliates to be (i) on economic and other material terms and conditions no less advantageous to the Issuer than would have governed such transaction were it negotiated on an arm's-length basis, (ii) conducted in accordance with all applicable laws (including Section 206(3) of the Investment Advisers Act and the rules and regulations promulgated thereunder) (iii) in the event that the consent of an independent third party is required in connection with such purchase or sale under applicable law, effected only upon receipt of consent from an Independent third party that is competent and qualified to give such consent and (iv) in respect of a Portfolio asset to be acquired by the Issuer which was originally arranged and/or originated by the Collateral Manager (excluding any such Portfolio assets to be acquired by the Issuer pursuant to the Forward Purchase Agreement) prior to the date which is six months prior to the date on which the Issuer (or the Collateral Manager on its behalf) enters into a binding commitment to acquire such Portfolio asset, subject to a purchase price that is the lowest of bid prices obtained from at least two independent loan brokers, such bid prices to be notified to the Trustee prior to the Issuer purchasing such Portfolio asset.

DESCRIPTION OF THE COLLATERAL ADMINISTRATOR

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

Elavon Financial Services Limited is a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 125 Old Broad Street, London EC2N 1AR under the trade name U.S. Bank Global Corporate Trust Services.

Termination and Resignation of Appointment of the Collateral Administrator

Pursuant to the terms of the Collateral Management and Administration Agreement, the Collateral Administrator may be removed (a) without cause at any time upon at least 90 days' prior written notice; or (b) with cause upon at least 10 days' prior written notice by the Issuer at its discretion or the Trustee acting upon the written directions of the holders of the Subordinated Notes acting by way of Ordinary Resolution and subject to the Trustee being secured and/or indemnified and/or prefunded to its satisfaction. In addition the Collateral Administrator may also resign its appointment without cause on at least 45 days' prior written notice and with cause upon at least 10 days' prior written notice to the Issuer. No resignation or removal of the Collateral Administrator will be effective until a successor collateral administrator has been appointed pursuant to the terms of the Agency and Account Bank Agreement.

HEDGING ARRANGEMENTS

The following section consists of a summary of certain provisions which, pursuant to the Collateral Management and Administration Agreement, are required to be contained in each Hedge Agreement and Hedge Transaction. Such summary does not purport to be complete and is qualified by reference to the detailed provisions of each Hedge Agreement and Hedge Transaction. The terms of a Hedge Agreement or Hedge Transaction may differ from the description provided herein, subject to receipt of Rating Agency Confirmation in respect thereof or without Rating Agency Confirmation if such Hedge Transaction constitutes a Form Approved Hedge.

Hedge Agreements

Subject to the satisfaction of the Hedging Condition, the Issuer (or the Collateral Manager on its behalf) may enter into transactions documented under a 1992 or (Multicurrency - Cross Border) or 2002 Master Agreement or such other form published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"). Each Hedge Transaction will be evidenced by a confirmation entered into pursuant to a Hedge Agreement.

Each Hedge Transaction will be for the purposes of:

(a) in the case of an Interest Rate Hedge Transaction, hedging any interest rate mismatch between the Rated Notes and the Collateral Obligations; and

(b) in the case of a Currency Hedge Transaction, exchanging payments of principal, interest and other amounts in respect of any Non-Euro Obligation for amounts denominated in Euros at the Currency Hedge Transaction Exchange Rate,

in each case subject to receipt of Rating Agency Confirmation in respect thereof (save in the case of a Form Approved Hedge) and provided that the Hedge Counterparty satisfies the applicable Rating Requirement (taking into account any guarantor thereof) and has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents. If the relevant S&P counterparty criteria change following the receipt of Rating Agency Confirmation or approval of a Form Approved Hedge, as applicable, the Collateral Manager (on behalf of the Issuer) will be required to seek a further Rating Agency Confirmation or approval, as applicable.

For the avoidance of doubt, the ability of the Issuer or the Collateral Manager on its behalf to enter into any Currency Hedge Transactions, and therefore the ability of the Issuer or the Collateral Manager on its behalf to acquire Non-Euro Obligations, is subject to the satisfaction of the Hedging Condition.

Replacement Hedge Transactions

Currency Hedge Transactions**:** In the event that any Currency Hedge Transaction terminates in whole at any time in circumstances in which the applicable Currency Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Currency Hedge Agreement), the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Currency Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Interest Rate Hedge Transactions**:** In the event that any Interest Rate Hedge Transaction terminates in whole at any time in circumstances in which the applicable Interest Rate Hedge Counterparty is the "Defaulting Party" or sole "Affected Party" (each as defined in the applicable Interest Rate Hedge Agreement) the Issuer (or the Collateral Manager on its behalf) shall use commercially reasonable endeavours to enter into a replacement Interest Rate Hedge Transaction within 30 days of the termination thereof with a counterparty which (or whose guarantor) satisfies the applicable Rating Requirement and which has the Dutch regulatory capacity to enter into derivatives transactions with Dutch residents.

Standard Terms of Currency Hedge Transactions

Any Currency Hedge Transaction shall contain the following terms (*provided that* the Issuer may enter into Currency Hedge Transactions on different terms than those set forth below, subject to receipt of Rating Agency Confirmation in respect thereof):

(a) on the effective date of entry into such transaction, the Issuer pays to the Currency Hedge Counterparty an initial exchange amount in Euros equal to the purchase price of such Non-Euro Obligation, converted into Euros at the Currency Hedge Transaction Exchange Rate in exchange for payment by the Currency Hedge Counterparty of an initial exchange amount in the relevant currency equal to the purchase price of such Non-Euro Obligation;

(b) on the scheduled date of termination of such transaction, which shall be the date falling two Business Days after the date on which the Non-Euro Obligation is scheduled to mature or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty a final exchange amount equal to the amount payable upon maturity of the Non-Euro Obligation in the relevant currency (the "**Proceeds on Maturity**") in exchange for payment by the Currency Hedge Counterparty of a final exchange amount denominated in Euros, such final exchange amount to be an amount equal to the Proceeds on Maturity converted into Euros at the Currency Hedge Transaction Exchange Rate;

(c) two Business Days following the date of each scheduled payment of interest on the related Non-Euro Obligation or such later date as otherwise specified in the relevant confirmation, the Issuer pays to the Currency Hedge Counterparty an amount in the relevant non-Euro currency based on the principal amount outstanding from time to time of the relevant Non-Euro Obligation (the "**Non-Euro Notional Amount**") and equal to the interest payable in respect of the Non-Euro Obligation and the Currency Hedge Counterparty will pay to the Issuer an amount based on the outstanding principal amount of the related Non-Euro Obligation and equal to the interest payable in respect of the Non-Euro Obligation converted into Euros at the Currency Hedge Transaction Exchange Rate (the "**Euro Notional Amount**"); and

(d) following the sale of any Non-Euro Obligation, the Issuer shall pay to the Currency Hedge Counterparty an amount equal to the sale proceeds of such Non-Euro Obligation in the relevant currency (the "**Proceeds on Sale**") in exchange for payment by the Currency Hedge Counterparty of an amount denominated in Euros, such amount to be an amount equal to the Proceeds on Sale converted into Euros at the Currency Hedge Transaction Exchange Rate less any amounts payable to the Currency Hedge Counterparty in respect of the early termination of the relevant Currency Hedge Transaction (but, for the avoidance of doubt, no breakage or other costs will be payable to the Currency Hedge Counterparty in connection with a prepayment, repayment or redemption of the related Non-Euro Obligation).

The Collateral Manager, acting on behalf of the Issuer, shall convert all amounts received by it in respect of any Non-Euro Obligation which is not the subject of a related Currency Hedge Transaction into Euros promptly upon receipt thereof at the then prevailing Spot Rate and shall procure that such amounts are paid into the Principal Account or the Interest Account, as applicable.

All amounts received by the Issuer in respect of Non-Euro Obligations shall be paid into the appropriate Currency Account and all amounts payable by the Issuer under any Currency Hedge Transaction (other than any initial exchange amounts payable in Euros by the Issuer, any Currency Hedge Replacement Payments and any Currency Hedge Issuer Termination Payments save to the extent otherwise provided in Condition 3(j)(ix) (*Currency Accounts*)) will be paid out of the appropriate Currency Account, in each case to the extent amounts are available therein.

The Issuer shall only be obliged to pay Scheduled Periodic Currency Hedge Issuer Payments to a Currency Hedge Counterparty if and to the extent it actually receives the corresponding amount in respect of the relevant Non-Euro Obligation.

Standard Terms of Hedge Agreements

Each Hedge Agreement entered into by or on behalf of the Issuer shall contain the following standard provisions, save to the extent that any change thereto is agreed by the applicable Hedge Counterparty and subject to receipt of Rating Agency Confirmation in respect thereof (other than in respect of any Form Approved Hedges).

Gross up

Under each Hedge Agreement neither the Issuer nor the applicable Hedge Counterparty will be obliged to gross up any payments thereunder in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" for the purposes of the relevant Hedge Agreement. In the event of the occurrence of a Tax Event (as defined in such Hedge Agreement), each Hedge Agreement will include provision for the relevant Affected Party (as defined therein) to use reasonable endeavours to (i) (in the case of the Hedge Counterparty) arrange for a transfer of all of its interests and obligations under the Hedge Agreement and all Transactions (as defined in the Hedge Agreement) thereunder to an Affiliate that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (ii) (in the case of the Issuer) if a substitute principal obligor under the Notes has been substituted for the Issuer in accordance with Condition 9 (*Taxation*), arrange for a transfer of all of its interest and obligations under the Hedge Agreement and all Transactions thereunder to that substitute principal obligor so as to avoid the requirement to withhold or deduct for or on account of tax subject to satisfaction of the conditions specified therein (including receipt of Rating Agency Confirmation).

Limited Recourse and Non-Petition

The obligations of the Issuer under each Hedge Agreement will be limited to the proceeds of enforcement of the Collateral as applied in accordance with the Priorities of 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*).

Termination Provisions

Each Hedge Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the earlier to occur of certain events, including but not limited to:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the related Hedge Counterparty;

(b) failure on the part of the Issuer or the related Hedge Counterparty to make any payment under the applicable Hedge Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the related Hedge Counterparty to be a party to, or perform its obligations under, the applicable Hedge Agreement;

(d) a regulatory change or change in the regulatory status of the Issuer which cannot be remedied by a modification of the relevant Hedge Agreement, as further described in the relevant Hedge Agreement;

(e) any amendment to any provisions of the Transaction Documents without the written consent of the Hedge Counterparty which has a material adverse effect on its rights thereunder, or as further described in the relevant Hedge Agreement;

(f) failure by a Hedge Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Requirement;

(g) upon the early redemption in full or acceleration of the Notes; and

(h) any other event as specified in the relevant Hedge Agreement.

A termination of a Hedge Agreement does not constitute an Event of Default under the Notes though the repayment in full of the Notes may be an additional termination event under a Hedge Agreement.

Upon the occurrence of any Event of Default or Termination Event (each as defined in the applicable Hedge Agreement), a Hedge Agreement may be terminated by the Hedge Counterparty or the Issuer (or the Collateral Manager on its behalf) in accordance with the detailed provisions thereof and a lump sum (the "**Termination Payment**") may become payable by the Issuer to the applicable Hedge Counterparty or vice versa. Such Termination Payment will be determined by the applicable Hedge Counterparty and/or Issuer (or the Collateral Manager on its behalf) by reference to market quotations obtained in respect of the entry into a replacement swap(s) on the same terms as that terminated or as otherwise described in the applicable Hedge Agreement or, to the extent that such determination does not produce a commercially reasonable result, any loss suffered by a party.

Rating Downgrade Requirements

Each Hedge Agreement shall contain provisions requiring certain remedial action to be taken in the event that the Hedge Counterparty (or, as relevant, its guarantor) is subject to a rating withdrawal or downgrade, such provisions being in accordance with the rating methodology of the Rating Agencies at the time of entry into such Hedge Agreements. Such provisions may include a requirement that a Hedge Counterparty must post collateral or transfer the Hedge Agreement to another entity (or, as relevant, its guarantor) meeting the applicable Rating Requirement or procure that a guarantor meeting the applicable Rating Requirement guarantees its obligations under the Hedge Agreement or take other actions subject to Rating Agency Confirmation.

Transfer and Modification

The Collateral Manager acting on behalf of the Issuer, may not modify any Hedge Transaction or Hedge Agreement without Rating Agency Confirmation in relation to such modification, save to the extent that it would constitute a Form Approved Hedge following such modification. A Hedge Counterparty may transfer its rights and obligations under a Hedge Agreement to any institution which (or whose credit support provider (as defined in the applicable Hedge Agreement)) satisfies the applicable Rating Requirement and provided that such institution has the regulatory capacity to enter into derivatives transactions with Dutch residents.

Any of the requirements set out herein may be modified in order to meet any new or additional requirements of any Rating Agency then rating any Class of Notes.

Governing Law

Each Hedge Agreement together with each Hedge Transaction thereunder in each case, including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

DESCRIPTION OF THE REPORTS

Monthly Reports

The Collateral Administrator, not later than the fifteenth calendar day of each month (and if such day is not a Business Day, the following Business Day) (save in respect of any month for which a Payment Date Report has been prepared) commencing in April 2014 on behalf, and at the expense, of the Issuer and in consultation with the Collateral Manager, shall compile a monthly report (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 calendar day of the preceding month (or if such day is not a Business Day, the immediately following Business Day) in consultation with the Collateral Manager. Each Monthly Report shall be made available via a secured website currently located at http://usbtrustgateway.usbank.com/portal/login.do which shall be accessible to the Issuer, the Arrangers, the Trustee, the Collateral Manager, the Hedge Counterparties, Intex Solutions, Inc. and the Rating Agencies and to any Noteholder or any person who informs the Collateral Administrator in writing that it is a prospective investor in the Notes 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. For the purposes of the Reports, obligations which are to constitute Collateral Obligations in respect of which the Issuer has entered into a binding commitment to purchase, but which have not yet settled, shall be included as Collateral Obligations as if such purchase had been completed and obligations in respect of which the Issuer has entered into a binding commitment to sell, but in respect of which such sale has not yet settled, shall be excluded from being Collateral Obligations as if such sale had been completed.

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments representing Principal Proceeds;

(b) the Collateral Principal Amount of the Collateral Obligations;

(c) the Adjusted Collateral Principal Amount of the Collateral Obligations;

(d) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, its Principal Balance (in the case of Deferring Securities, both including and excluding capitalised or deferring interest), LoanX ID, CUSIP number, ISIN (where applicable) or identification thereof, annual interest rate or spread (and EURIBOR floor if any), facility, Collateral Obligation Stated Maturity, Obligor, the Domicile of the Obligor, currency, S&P Recovery Rate, S&P Rating, Fitch Rating, Fitch Recovery Rate and any other public rating (other than any confidential credit estimate), its S&P industry category and Fitch industry category;

(e) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Obligation, whether such Collateral Obligation is a Secured Senior Obligation, Mezzanine Obligation, Second Lien Loan, Unsecured Senior Obligation, Fixed Rate Collateral Obligation, PIK Security, Current Pay Obligation, Bridge Loan, Discount Obligation, a Swapped Non-Discount Obligation and/or a Deferring Security;

(f) subject to any confidentiality obligations binding on the Issuer, in respect of each Collateral Enhancement Obligation and Exchanged Equity Security (to the extent applicable), its Principal Balance, face amount, annual interest rate, Collateral Obligation Stated Maturity and Obligor, details of the type of instrument it represents and details of any amounts payable thereunder or other rights accruing pursuant thereto;

(g) subject to any confidentiality obligations binding on the Issuer, the number, identity and, if applicable, Principal Balance of, respectively, any Collateral Obligations, Collateral Enhancement Obligations or Exchanged Equity Securities that were released for sale or other disposition (specifying the reason for such sale or other disposition and the section in the Collateral Management and Administration Agreement pursuant to which such sale or other disposition was made), the Aggregate Principal Balances of Collateral

Obligations released for sale or other disposition at the Collateral Manager's discretion (expressed as a percentage of the Adjusted Collateral Principal Amount and measured at the date of determination of the last Monthly Report), the sale price thereof and identity of any of the purchasers thereof (if any) that are Affiliated with the Collateral Manager, and the amount of any Trading Gains resulting from such sale paid into the Interest Account;

(h) subject to any confidentiality obligations binding on the Issuer, the purchase or sale price of each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation acquired by the Issuer and in which the Issuer has granted a security interest to the Trustee, and each Collateral Obligation, Eligible Investment and Collateral Enhancement Obligation sold by the Issuer since the date of determination of the last Monthly Report and the identity of the purchasers or sellers thereof, if any, that are Affiliated with the Issuer or the Collateral Manager;

(i) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Defaulted Obligation or Deferring Security or in respect of which an Exchanged Equity Security has been received since the date of determination of the last Monthly Report and the identity and Principal Balance of each S&P CCC Obligation, Fitch CCC Obligation and Current Pay Obligation;

(j) subject to any confidentiality obligations binding on the Issuer, the identity of each Collateral Obligation which became a Restructured Obligation and its Obligor, as well as, where applicable, the name of the Obligor prior to the restructuring and the Obligor's new name after the Restructuring Date;

(k) the Aggregate Principal Balance of Collateral Obligations which were upgraded or downgraded since the most recent Monthly Report and of which the Collateral Administrator or the Collateral Manager has actual knowledge;

(l) the approximate Market Value of, respectively, the Collateral Obligations and the Collateral Enhancement Obligations as provided by the Collateral Manager;

(m) in respect of each Collateral Obligation, its S&P 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 cases set forth in the Fitch Test Matrices elected by the Collateral Manager to be applicable for the purposes of the Weighted Average Life Test, the Fitch Maximum Weighted Average Rating Factor Test, the Fitch Minimum Weighted Average Recovery Rate Test, the Fitch Minimum Weighted Average Spread Test and the Fitch Minimum Weighted Average Fixed Coupon Test;

(o) the Aggregate Principal Balance of Collateral Obligations comprising Participations in respect of which the Selling Institutions are not the lenders of record; and

(p) a commentary provided by the Collateral Manager with respect to the Portfolio.

Accounts

(a) the Balances standing to the credit of each of the Accounts; and

(b) the purchase price, principal amount, redemption price, annual interest rate, maturity date, the then current Fitch rating and S&P rating and Obligor under each Eligible Investment purchased from funds in the Accounts.

Hedge Transactions

(a) the details of each Hedge Agreement (including the name of the relevant Hedge Counterparty);

(b) in respect of each Hedge Transaction, (i) the outstanding notional amount, (ii) the current rate of EURIBOR and the applicable base rate in the non-Euro currency, (iii) the applicable spread and (iv) the Currency Hedge Transaction Exchange Rate, in each case applicable to such Hedge Transaction;

(c) the amount scheduled to be received and paid by the Issuer pursuant to each Hedge Transaction on or before the next Payment Date;

(d) the then current Fitch rating and, if applicable, S&P rating in respect of each Hedge Counterparty and whether such Hedge Counterparty satisfies the Rating Requirements; 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) during the Reinvestment Period, a statement as to whether the Reinvestment Overcollateralisation Test is satisfied;

(d) during the Reinvestment Period, a statement as to whether (i) the S&P CDO Monitor Test (excluding the Aggregate Excess Spread and the Excess Weighted Coupon from the calculation of the S&P CDO Monitor Test) is satisfied and (ii) the S&P CDO Monitor Test (including the Aggregate Excess Spread and the Excess Weighted Coupon in the calculation of the S&P CDO Monitor Test) is satisfied;

(e) the S&P Weighted Average Recovery Rate and a statement as to whether the S&P Minimum Weighted Average Recovery Rate Test is satisfied;

(f) the Weighted Average Life and a statement as to whether the Weighted Average Life Test is satisfied;

(g) the Weighted Average Floating Spread (shown as including and excluding the Aggregate Excess Spread), a statement as to whether the S&P Minimum Weighted Average Floating Spread Test is satisfied, the amount of the Aggregate Excess Spread and details of the calculations in respect of the Weighted Average Floating Spread;

(h) the Minimum Weighted Average Coupon, the Weighted Average Coupon, the Excess Weighted Average Coupon, the Excess Weighted Average Floating Spread, a statement as to whether the Minimum Average Coupon Test is satisfied and details of the calculations in respect of the Weighted Average Floating Spread;

(i) the S&P Matrix Spread and the S&P Matrix Coupon;

(j) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Maximum Weighted Average Rating Factor Test is satisfied;

(k) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Recovery Rate Test is satisfied;

(l) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Spread Test is satisfied;

(m) so long as any Notes rated by Fitch are Outstanding, whether or not the Fitch Minimum Weighted Average Fixed Coupon Test is satisfied;

(n) a statement identifying any Collateral Obligation in respect of which the Collateral Manager has made its own determination of "Market Value" (pursuant to the definition thereof) for the purposes of any of the Coverage Tests; and

(o) a statement setting out the reasons (if any) that any Collateral Obligations have not been substituted.

Portfolio Profile Tests

(a) in respect of each Portfolio Profile Test, a statement as to whether such test is satisfied, together with details of the result of the calculations required to be made in order to make such determination which details shall include the applicable numbers, levels and/or percentages resulting from such calculations;

(b) the identity and Fitch Rating and S&P 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 S&P Ratings of Selling Institutions and, if such limits are not met, a statement as to the nature of the non compliance.

Risk Retention

Confirmation that the Collateral Administrator has received written confirmation from the Collateral Manager that:

(i) it continues to hold Subordinated Notes with an initial principal amount representing not less than 5 per cent. of the Maximum Par Amount;

(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 Obligations, except to the extent permitted in accordance with the Retention Requirements; and

(iii) the amount of any Trading Gains paid into the Interest Account since the previous Payment Date.

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 not later than 11.00 a.m. on the Business Day preceding the related Payment Date (the "**Payment Date Report**"), prepared and determined as of each Determination Date, and made available via a secured website currently located at http://usbtrustgateway.usbank.com/portal/login.do which shall be accessible to the Issuer, the Arrangers, the Trustee, the Collateral Manager, the Hedge Counterparties, Intex Solutions, Inc. and the Rating Agencies and to any Noteholder or any person who informs the Collateral Administrator in writing that it is a prospective investor in the Notes by way of a unique password which in the case of each Noteholder may be obtained from the Collateral Administrator subject to receipt by the Collateral Administrator of certification that such holder is a holder of a beneficial interest in any Notes. Upon issue of each Payment Date Report, the Collateral Administrator, in the name and at the expense of the Issuer, shall notify the Irish Stock Exchange of the Principal Amount Outstanding of each Class of Notes after giving effect to the principal payments, if any, on the next Payment Date. The Payment Date Report shall contain the following information:

Portfolio

(a) the Aggregate Principal Balance of the Collateral Obligations as of the close of business on such Determination Date, after giving effect to (A) Principal Proceeds received on the Collateral Obligations with respect to the related Due Period and the reinvestment of such Principal Proceeds in Substitute Collateral Obligations during such Due Period and (B) the purchase and disposal of any Collateral Obligations during such Due Period; and

(b) 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; and

(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 the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, on the next Payment Date; and

(d) 6-month 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 and amounts paid pursuant to the Interest Priority of Payments, the Principal Proceeds of Payments and the Post-Acceleration Priority of Payments;

(b) the Trustee Fees and Expenses, the amount of any Collateral Management Fees and Administrative Expenses payable on the related Payment Date, in each case, on an itemised basis; and

(c) any Defaulted Currency Hedge Termination Payments, Defaulted Interest Rate Hedge Termination Payments, Hedge Counterparty Termination Payments, Hedge Issuer Termination Payments, Currency Hedge Issuer Termination Payments and Interest Rate Hedge Issuer 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 following payments in accordance with the Priorities of Payments;

(i) the purchase price, principal amount, redemption price, annual interest rate, maturity date of and Obligor of each Eligible Investment purchased from funds in the Accounts;

(j) the Principal Proceeds received during the related Due Period;

(k) the Interest Proceeds received during the related Due Period; and

(l) the Collateral Enhancement Obligation Proceeds received during the related Due Period.

Coverage Tests and Collateral Quality Tests

The information required pursuant to "*Monthly Reports — Coverage Tests and Collateral Quality Tests*" above.

Portfolio Profile Tests

The information required pursuant to "*Monthly Reports — Portfolio Profile Tests*" above.

Hedge Transactions

The information required pursuant to "*Monthly Reports — Hedge Transactions*" above.

Risk Retention

The information required pursuant to "*Monthly Reports – Risk Retention*" above.

Miscellaneous

Each report shall state that it is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representations or warranties as to the accuracy or completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Collateral Manager will have any liability for estimates, approximations or projections contained therein.

In addition, the Collateral Administrator shall provide the Issuer with such other information and in such a format relating to the Portfolio as the Issuer may reasonably request and which is in the possession of the Collateral Administrator, in order for the Issuer to satisfy its obligation to make certain filings of information with the Dutch Central Bank and in respect of the preparation of its financial statements and tax returns.

TAX CONSIDERATIONS

1. General

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

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

2. Netherlands Taxation

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on The Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where in this summary the terms "the Netherlands" and "Dutch" are used, these terms solely refer to the part of the Kingdom of the Netherlands that is situated in Europe.

With the exception of paragraph (a) below under General, this summary does not address the Netherlands tax consequences of:

(a) *a holder holding a substantial interest ("aanmerkelijk belang") in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 ("Wet inkomstenbelasting 2001"). Generally speaking, a holder (including both individuals and entities) holds a substantial interest in the Issuer, if such holder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of five per cent. or more of the total issued capital of the Issuer or of five per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*

(b) *a holder qualifying as an investment institution ("fiscale beleggingsinstellingen"); an*d

(c) *a holder qualifying as a pension fund, exempt investment institution ("vrijgestelde beleggingsinstellingen") or other entity that is exempt from Netherlands corporate income tax.*

Where in this summary reference is made to a "holder", ***this includes, without limitation****, an individual to whom, or an entity to which, benefits derived from Notes are attributed for Dutch tax purposes.*

General

The Issuer has been advised that under the existing laws of The Netherlands:

(a) all payments by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein;

(b) a holder deriving income from a Note or realising a gain on the disposal or redemption of a Note will not be subject to Netherlands taxation on income or capital gains unless:

(i) the holder is a resident of the Netherlands or treated as resident in The Netherlands for the purpose of the relevant provisions; or
(ii) such income or gain is attributable to an enterprise or part thereof which is (i) carried on by or for the benefit of the holder through a permanent establishment or a permanent representative in The Netherlands or (ii) which is effectively managed in the Netherlands; or
(iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities ("*belastbaar resultaat uit overige werkzaamheden*") in The Netherlands as defined in section 3.4 of the Dutch Income Tax Act 2001;

(c) Netherlands gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder, unless:

(i) the holder is, or is deemed to be, a resident of The Netherlands for the purpose of the Netherlands gift and inheritance tax ("*Successiewet 1956*"); or
(ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions;

(d) there is no Netherlands registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes;

(e) there is no Netherlands value added tax payable in respect of payments in consideration for the issue of a Note or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(f) a holder of a Note will not have a permanent establishment, or be deemed to have a permanent establishment, in The Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of a Note.

3. United States Federal Income Taxation

Introduction

This is a discussion of the principal U.S. federal income tax consequences of the acquisition, ownership, disposition, and retirement of the Notes. Except as expressly set out below, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to a particular Noteholder based on such Noteholder's particular circumstances, nor does it address any aspect of state, local, or non-U.S. tax laws, alternative minimum 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 or grantor trusts;

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

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

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

This discussion considers only Noteholders that will hold Notes as capital assets and whose functional currency is the U.S. dollar. This discussion is generally limited to the tax consequences to initial Noteholders that purchase Notes upon their initial issue at their initial issue price.

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

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

(ii) a corporation created or organised under the laws of the United States or any state thereof, including for this purpose, the District of Columbia;

(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 Notes that is not a U.S. Noteholder.

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

This discussion is based upon the 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 Notes. As a result, the IRS might disagree with all or part of the discussion below. No rulings will be requested of the IRS regarding the issues discussed below or the U.S. federal income tax characterisation of the Notes.

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

United States Taxation of the Issuer

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

United States Federal Income Taxes. Upon the issuance of the Notes, Allen & Overy LLP, special U.S. tax counsel to the Issuer, will deliver an opinion generally to the effect that, under current law, assuming compliance with the Transaction Documents and based upon certain factual representations made by the Issuer and/or the Collateral Manager, and assuming the correctness of all opinions and advice of counsel that permit the Issuer to take or fail to take any action under the Transaction Documents based upon such opinions or advice, although the matter is not free from doubt, the Issuer will not be treated as engaged in the conduct of a trade or business within the United States for U.S. federal income tax purposes. The opinion of Allen & Overy LLP will be based on certain factual assumptions, covenants and representations as to the Issuer's contemplated activities. The Issuer intends to conduct its affairs in accordance with such assumptions and representations, and the remainder of this summary assumes that the Issuer will not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. In addition, you should be aware that the opinion referred to above will be predicated upon the Collateral Manager's compliance with certain U.S. tax restrictions set out in the Trust Deed and the Collateral Management and Administration Agreement (the "**Trading Restrictions**"), which are intended to prevent the Issuer from engaging in activities which could give rise to a trade or business within the United States. Although the Collateral Manager has generally undertaken to comply with the Trading Restrictions, the Trading Restrictions may be amended if the Issuer receives an opinion from internationally recognised U.S. tax counsel that the amendment will not cause the Issuer to be treated as engaged in a trade or business within the United States. There can be no assurance that any such opinion will be consistent with Allen & Overy LLP's views and opinion standards. Any such amendments would not be covered by the opinion of Allen & Overy LLP referred to above. Furthermore, the Collateral Manager is not obligated to monitor (or conform the Issuer's activities in order to comply with) changes in law, and accordingly, any such changes could adversely affect whether the Issuer is treated as engaged in a U.S. trade or business. The opinion of Allen & Overy LLP is not binding on the IRS or the courts, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Issuer. Accordingly, in the absence of authority on point, the U.S. federal income tax treatment of the Issuer is not entirely free from doubt, and there can be no assurance that positions contrary to those stated in the opinion of Allen & Overy LLP may not be asserted successfully by the IRS. If the IRS were to successfully assert that the Issuer is engaged in a U.S. trade or business, however, there could be material adverse financial consequences to the Issuer and to persons who hold the Notes. There can be no assurance that the Issuer's net income will not become subject to U.S. federal net income tax as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by U.S. tax authorities or other causes. In such a case, the Issuer would be potentially subject to substantial U.S. federal income tax and, in certain circumstances, interest payments by the Issuer under the Notes could be subject to U.S. withholding tax. The imposition of any of the foregoing taxes would materially affect the Issuer's ability to pay principal, interest, and other amounts owing in respect of the Notes.

Withholding and Gross Income Taxes. Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries, and the imposition of such taxes could materially affect its financial ability to make payments on the Notes. In this regard and subject to certain exceptions, the Issuer may generally only acquire a particular Obligation if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the issuer of the Obligation is required to make "gross-up" payments. The Issuer may, however, be subject to withholding or gross income taxes in respect of interest and disposition proceeds in respect of Obligations giving rise to U.S. source income if such Obligations are issued or materially modified after 1 July, 2014 (as discussed in more detail under "*Tax Considerations – Foreign Account Tax Compliance Act*"), and such withholding or gross income taxes may not be grossed up.

Notwithstanding the foregoing, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In that event, such 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 taxing authority to pay such taxes.

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

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

The Issuer has agreed and, by its acceptance of 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 "*—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 ("**OID**") will be required to include in income the U.S. dollar value of Euro interest accrued during the accrual period. An accrual basis U.S. Noteholder may determine the amount of income recognised with respect to such interest using either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars on the date of receipt. Under the first method, the U.S. dollar value of accrued interest is translated at the average Euro rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). An accrual method U.S. Noteholder of a 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.

For U.S. federal income tax purposes, OID is the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price", if that excess equals or exceeds ¼ of 1 per cent. of the debt instrument's stated redemption price at maturity multiplied by the number of complete years from its issue date to its maturity or weighted average maturity in the case of instalment obligations (the "**OID de minimis amount**"). The "stated redemption price at maturity" of a debt instrument such as the Rated Notes is the sum of all payments required to be made on the Rated Note other than "qualified stated interest" payments. The "**issue price**" of a Rated Note generally is the first offering price to the public at which a substantial amount of the debt instrument is sold. The term "qualified stated interest" generally means

stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer), or that is treated as constructively received, at least annually at a single fixed rate or, under certain conditions discussed below, at a variable rate.

Prospective U.S. Noteholders should note that to the extent that interest payments on the Class C Notes, the Class D Notes and the Class E 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 1271(a)(6). Further, those debt instruments may not be treated for U.S. federal income tax purposes as part of an integrated transaction with a related hedge under Treasury Regulation Section 1.1275-6. Prospective investors should consult with their own tax advisors regarding the effects of Section 1272(a)(6) of the Code.

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 (other than the Class A-2 Notes and the Class B-2 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 6-month 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 Notes in accordance with U.S. Treasury regulations relating to contingent payment debt instruments. The contingent payment debt instrument rules are complex and

investors should consult with their own tax advisors with respect to the potential taxation of the Notes under the contingent payment debt instrument rules.

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

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

Sale, Exchange, 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 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.

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 "*—U.S. Tax Treatment of U.S. Noteholders of the Subordinated Notes*" and "*—Transfer and Other Reporting Requirements*."

U.S. Tax Treatment of U.S. Noteholders of the Subordinated Notes

The Issuer has agreed and, by its acceptance of a Subordinated Note, each Noteholder of a Subordinated Note will be deemed to have agreed, to treat all Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any governmental authority. If U.S. Noteholders of the Subordinated Notes were treated as owning debt of the Issuer, the U.S. federal income tax consequences to those U.S. Noteholders would be as described under "*—U.S. Characterisation and U.S. Tax Treatment of the Rated Notes*". The balance of this discussion assumes that the Subordinated Notes

will properly be characterised as equity in the Issuer. Prospective investors should consult their own tax advisors regarding the consequences of acquiring, holding or disposing of the Subordinated Notes.

Investment in a Passive Foreign Investment Company. A foreign corporation will be classified as a Passive Foreign Investment Company (a "**PFIC**") for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the *pro rata* share of the gross income of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a foreign corporation will be classified as a PFIC if at least 50 per cent. of its assets, averaged over the year and generally determined based on fair market value (including the *pro rata* share of the assets of any corporation in which the Issuer is considered to own 25 per cent. or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Subordinated Notes, and U.S. Noteholders of Subordinated Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion below under "*Investment in a Controlled Foreign Corporation*".

If the PFIC rules are otherwise applicable, then unless a U.S. Noteholder elects to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), upon certain distributions ("excess distributions") by the Issuer and upon a disposition of the Subordinated Notes at a gain, the U.S. Noteholder will be liable to pay tax at the highest tax rate on ordinary income in effect for each period to which the income is allocated plus interest on the tax, as if such distributions and gain had been recognised rateably over the U.S. Noteholder's holding period for the Subordinated Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a U.S. Noteholder elects to treat the Issuer as a "qualified electing fund" (a "**QEF**"), distributions and gain will not be taxed as if recognised rateably over the U.S. Noteholder's holding period or subject to an interest charge. Instead, a U.S. Noteholder that makes a QEF election is required for each taxable year to include in income the U.S. Noteholder's *pro rata* share of the ordinary earnings of the qualified electing fund as ordinary income and a *pro rata* share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. Consequently, in order to comply with the requirements of a QEF election, a U.S. Noteholder must receive from the Issuer certain information ("**QEF Information**"). The Issuer will cause its independent accountants to provide U.S. Noteholders of the Subordinated Notes, upon request by such U.S. Noteholder and at the U.S. Noteholder's expense, with the information reasonably available to the Issuer that a U.S. Noteholder would need to make a QEF election. Except as expressly noted, the discussion below assumes that a QEF election will not be made. The cost charged to the U.S. Noteholder by the Issuer for providing the information may be significant.

If the Issuer is a PFIC, each U.S. Noteholder of a Subordinated Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the U.S. Noteholder holds a direct or indirect interest. Prospective purchasers should consult their tax advisors regarding the potential application of the PFIC rules. Special rules apply to certain regulated investment companies that own interests in PFICs and any such investor should consult with its own tax advisors regarding the consequences to it of acquiring Subordinated Notes. Pursuant to recently enacted legislation, each U.S. Noteholder who is a shareholder of a PFIC is required to file an annual report containing such information as the IRS may require in the revised Form 8621. Until the IRS releases the revised Form 8621, this additional reporting requirement is suspended (although a U.S. Noteholder that is currently otherwise required to file Form 8621 (e.g., a U.S. Noteholder that makes a QEF election with respect to the PFIC, receives a distribution with respect to the PFIC or makes an actual or deemed disposition of PFIC stock) must continue to file the current Form 8621). However, following the release of the revised Form 8621, U.S. Noteholders for which the filing of Form 8621 has been suspended for a taxable year will be required to attach Form 8621 for each suspended taxable year to their next income tax or information return

required to be filed with the IRS. Additionally, in the event a U.S. Noteholder does not file Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Noteholder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisors regarding the potential application of the PFIC rules.

Investment in a Controlled Foreign Corporation. Depending on the degree of ownership of the Subordinated Notes and other equity interests in the Issuer by U.S. Noteholders and whether the Subordinated Notes are treated as voting securities, the Issuer may constitute a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by "**U.S. 10 per cent. Shareholders**". A "**U.S. 10 per cent. Shareholder**", for this purpose, is any U.S. person that owns or is treated as owning under specified attribution rules, 10 per cent. or more of the combined voting power of all classes of shares of a corporation. It is possible that the IRS may assert that the Subordinated Notes should be treated as voting securities, and consequently that the U.S. Noteholders owning Subordinated Notes so treated, or any combination of such Subordinated Notes and other voting securities of the Issuer, that constitute 10 per cent. or more of the combined voting power of all classes of shares of the Issuer are "U.S. 10 per cent. Shareholders" and that, assuming more than 50 per cent. of the Subordinated Notes and other voting securities of the Issuer are held by such U.S. 10 per cent. Shareholders, the Issuer is a CFC.

If the Issuer were treated as a CFC, a U.S. 10 per cent. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a dividend at the end of the taxable year of the Issuer in an amount equal to that person's *pro rata* share of the "subpart F income" and investments in U.S. property of the Issuer. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, substantially all of its income would be subpart F income. In addition, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends" from such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes. Unless otherwise noted, the discussion below assumes that the Issuer is not a CFC. U.S. Noteholders should consult their tax advisors regarding these special rules.

If the Issuer were to constitute a CFC, for the period during which a U.S. Noteholder of Subordinated Notes is a U.S. 10 per cent. Shareholder of the Issuer, such Noteholder generally would be taxable on the subpart F income and investments in U.S. property of the Issuer under rules described in the preceding paragraph and not under the PFIC rules previously described. A U.S. Noteholder that is a U.S. 10 per cent. Shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Subordinated Notes should consult its own tax advisor regarding the interaction of the PFIC and CFC rules.

Distributions on the Subordinated Notes. Except to the extent that distributions are attributable to amounts previously taxed pursuant to the CFC rules or a QEF election is made, some or all of any distributions with respect to the Subordinated Notes may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer which are not excess distributions will be taxed as dividends when received. The amount of such income is determined by translating Euro received into U.S. dollars at the spot rate on the date of receipt. A U.S. Noteholder may realise foreign currency gain or loss on a subsequent disposition of the Euro received.

Disposition of the Subordinated Notes. In general, a U.S. Noteholder of a Subordinated Note will recognise gain or loss upon the sale or exchange of the Subordinated Note equal to the difference between the amount realised and such Noteholder's adjusted tax basis in such Subordinated Note. Initially, the tax basis of a U.S. Noteholder should equal the amount paid for a Subordinated Note. Such basis will be increased by amounts taxable to such Noteholder by virtue of the QEF or CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. A U.S. Noteholder that receives foreign currency

upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of sale. A U.S. Noteholder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a U.S. Noteholder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss. If, however, the Subordinated Notes are traded on an established securities market, a cash basis U.S. Noteholder or electing accrual basis U.S. Noteholder will determine the amount realised on the settlement date.

Unless a QEF election is made, it is highly likely that any gain realised on the sale or exchange of a Subordinated Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual U.S. Noteholders that have held the Subordinated Notes for more than one year, if the Issuer were treated as a CFC and a U.S. Noteholder were treated as a U.S. 10 per cent. Shareholder therein, then any gain realised by such Noteholder upon the disposition of Subordinated Notes would be treated as ordinary income to the extent of the U.S. Noteholder's *pro rata* share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

Foreign Currency Gain or Loss. A U.S. Noteholder of Subordinated Notes (or other Notes treated as equity interests in the Issuer) that recognises income from the Subordinated Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss from the same source as the associated income inclusion.

A U.S. Noteholder that purchases Subordinated Notes with previously owned foreign currency generally will recognise foreign currency gain or loss in an amount equal to any difference between the U.S. Noteholder's tax basis in the foreign currency and the U.S. dollar value of the foreign currency at the spot rate on the date the Notes are purchased. A U.S. Noteholder that receives foreign currency upon the sale or other disposition of the Subordinated Notes generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale. A U.S. Noteholder will have a tax basis in the foreign currency received equal to the U.S. dollar amount realised. Any gain or loss realised by a U.S. Noteholder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

Transfer and Other Reporting Requirements

In general, U.S. Noteholders who acquire Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) for cash may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such U.S. Noteholder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations, exceeds U.S.$100,000. In the event a U.S. Noteholder that is required to file fails to file such form, that U.S. Noteholder could be subject to a penalty of up to U.S.$100,000 (computed as 10 per cent. of the gross amount paid for the Subordinated Notes) or more if the failure to file was due to intentional disregard of its obligation.

In addition, a U.S. Noteholder of Subordinated Notes (or any Class of Notes that is recharacterised as equity in the Issuer) that owns (actually or constructively) at least 10 per cent. by vote or value of the Issuer (and each officer or director of the Issuer that is a U.S. citizen or resident) may be required to file an information return on IRS Form 5471. A U.S. Noteholder of Subordinated Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer. U.S. Noteholders should consult their own tax advisors regarding whether they are required to file IRS Form 5471. In the event a U.S. Noteholder that is required to file such form fails to file such form, the U.S. Noteholder could be subject to a penalty of U.S.$10,000 for each such failure to file (in addition to other consequences).

Prospective investors in the Subordinated Notes (or any Class of Notes or other interest that could be recharacterised as equity in the Issuer) should consult with their own tax advisors regarding whether they are required to file IRS Form 8886 in respect of this transaction. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold, and significant penalties may be imposed on taxpayers that fail to file the form timely. Such filing will also generally be required by a U.S. Noteholder of the Subordinated Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions," such as a transaction in which its loss exceeds a specified threshold, and either (x) such U.S. Noteholder owns 10 per cent. or more of the aggregate amount of the Subordinated Notes and makes a QEF Election with respect to the Issuer or (y) the Issuer is treated as a CFC and such U.S. Noteholder is a "U.S. Shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file Form 8886 that fail to do so timely.

Certain U.S. Noteholders will be subject to reporting obligations with respect to their Notes if they do not hold them in an account maintained by a financial institution and the aggregate value of their Notes and certain other "specified foreign financial assets" exceeds $50,000 on the last day of the taxable year (or $75,000 on any day during the taxable year). Significant penalties can apply if a U.S. Noteholder is required to disclose its Notes and fails to do so.

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

Subject to the discussions below under "*Information Reporting and Backup Withholding*", payments, including interest, OID and any amounts treated as dividends, on a Note to a non-U.S. Noteholder and gain realised on the sale, exchange or retirement of a 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 Note as a capital asset and is present in the United States for 183 days or more in the taxable year of sale and certain other conditions are satisfied.

Information Reporting and Backup Withholding

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

Non-U.S. 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 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 NOTES UNDER THE NOTEHOLDER'S OWN CIRCUMSTANCES.

4. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or "FATCA") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the relevant FFI (a "**Recalcitrant Noteholder**"). The Issuer may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Noteholders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Netherlands have announced an intention to enter into an agreement (a "**US-Netherlands IGA**") based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to a US-Netherlands IGA and does not expect to be subject to FATCA Withholding on payments it receives. There can be no assurance, however, that the Issuer will be treated as a Reporting FI and that such withholding will not be imposed against the Issuer. If the Issuer does not become a Participating FFI, Reporting FI, or is not treated as exempt from or in deemed compliance with FATCA, the Issuer may be subject to FATCA Withholding on payments received from U.S. sources and Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes.

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

Whether as a Reporting FI or Participating FFI, the Issuer expects to require (and that an Intermediary will require) each Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an Intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the IRS or a Netherlands 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 the failure to provide the required information generally will compel the Issuer (or an Intermediary) to force the sale of the Noteholder's Notes (and such sale could be for less than its then fair market value).

Whilst the Notes are held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive certificated form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

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 Notes.

5. EU Directive on the Taxation of Savings Income

Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

CERTAIN ERISA CONSIDERATIONS

ERISA imposes certain requirements on "employee benefit plans" subject thereto including entities (such as collective investment funds, insurance company separate accounts and some insurance company general accounts) the underlying assets of which include the assets of such plans (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of prudence, diversification, and that investments be made in accordance with the documents governing the plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan, as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, and entities the underlying assets of which include the assets of such plans (together with ERISA Plans, "**Plans**") and certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "**Parties in Interest**")) having certain relationships to such Plans, unless a statutory or administrative exception or exemption is applicable to the transaction. A Party in Interest who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and the transaction may have to be rescinded at significant cost to the Issuer.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and certain non U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to substantially similar rules under federal, state, local or non U.S. laws, and may be subject to the prohibited transaction rules of Section 503 of the Code.

Under ERISA and a regulation issued by the United States Department of Labor (29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, (the "**Plan Asset Regulation**")), if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act of 1940, the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established (a) that the entity is an "operating company," as that term is defined in the Plan Asset Regulation, or (b) that less than 25 per cent. of the total value of each class of equity interest in the entity, disregarding the value of any equity interests held by persons (other than Benefit Plan Investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee with respect to such assets (such as the Collateral Manager), and their respective Affiliates (each a "**Controlling Person**"), is held by Benefit Plan Investors (the "**25 per cent. Limitation**"). A "Benefit Plan Investor" means (1) an employee benefit plan (as defined in Section 3(3) of ERISA), subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) a plan to which Section 4975 of the Code applies, or (3) any entity whose underlying assets include plan assets by reason of such an employee benefit plan or plan's investment in such entity.

If the underlying assets of the Issuer are deemed to be Plan assets, the obligations and other responsibilities of Plan sponsors, Plan fiduciaries and Plan administrators, and of Parties in Interest, under Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code, as applicable, may be expanded, and there may be an increase in their liability under these and other provisions of ERISA and the Code. In addition, various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise parties in interest or disqualified persons by virtue of their provision of such services (and there could be an improper delegation of authority to such providers).

The Plan Asset Regulation defines an "equity interest" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although it is not free from doubt, the Class A 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. The treatment of the Class A Notes, Class B Notes, Class C Notes and the Class D Notes as not being equity interests in the Issuer could, however, be affected, subsequent to their issuance, by certain changes in the structure or financial condition of the

Issuer. However, the characteristics of the Class E Notes and to a greater extent, the Subordinated Notes for purposes of the Plan Asset Regulation are less certain. While the Issuer believes that the Class E Notes should be treated as indebtedness for the purposes of ERISA, 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 the Subordinated Notes. In reliance on representations made by investors in the Subordinated Notes, the Issuer intends to limit investment by Benefit Plan Investors in the Subordinated Notes to less than 25 per cent. of the Subordinated Notes at all times (excluding for purposes of such calculation the Subordinated Notes held by a Controlling Person). Each prospective purchaser (including a transferee) of a Subordinated Note will be required to make certain representations regarding its status as a Benefit Plan Investor or Controlling Person and other ERISA matters as described under "Transfer Restrictions" below. No 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 Subordinated Notes (in accordance with the Plan Asset Regulation and the Trust Deed). Except as otherwise provided by the Plan Asset Regulation, each Subordinated Note held by persons that have represented that they are Controlling Persons will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25 per cent. Limitation.

Even assuming the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes are not treated as equity interests in the Issuer for purposes of ERISA, it is possible that an investment in such Notes by a Benefit Plan Investor (or with the use of the assets of a Benefit Plan Investor) could be treated as a prohibited transaction under ERISA and/or Section 4975 of the Code. Such a prohibited transaction, however, may be subject to a statutory or administrative exemption. Even if an exemption were to apply, such exemption may not, however, apply to all of the transactions that could be deemed prohibited transactions in connection with an investment in the Notes by a Benefit Plan Investor.

Each of the Issuer, each Arranger and Joint Lead Manager, the Bookrunner, 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 Arrangers, the Joint Lead Managers, the Bookrunner, 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.

Each purchaser and transferee of a Class A Note, Class B Note, Class C Note, Class D Note or Class E Note or any interest in such Note will be deemed to have represented, warranted and agreed that (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**"), and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law, and (ii) it will not sell or transfer such Notes (or interests therein) to a transferee acquiring such Notes (or interests therein) unless the transferee makes the foregoing representations, warranties and agreements described in clause (i) hereof.

If you are a purchaser or transferee of a Subordinated Note in the form of a Regulation S Global Note or Certificate or a Rule 144A Global Note or Certificate you will be deemed to represent, warrant and agree that (i) you are not, and are not acting on behalf of, a Benefit Plan Investor or Controlling Person unless you receive the written consent of the Issuer, provide an ERISA certificate to the Issuer as to your status as a Benefit Plan Investor or Controlling Person and hold such Note or Certificate in the form of a Definitive Note or Certificate; and (ii) (A) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, and (B) if you are a governmental, church, non-U.S. or other plan, (1) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or any interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to Similar Law and (2) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law and (3) you will agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or transferee of a Subordinated Note, you will be required to (i) represent and warrant in writing to the Issuer (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (b) if you are a governmental, church, non-U.S. plan or other plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to Similar Law and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any Similar Law, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

No transfer of an interest in 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 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 Similar Law, and the scope of any available exemption relating to such investment.

The sale of Notes to a Plan or an employee benefit plan not subject to ERISA or Section 4975 of the Code is in no respect a representation or warranty by the Issuer, or any other person that this investment meets all relevant legal requirements with respect to investments by Plans or such other plans generally or any particular plan, that any prohibited transaction exemption would apply to the acquisition, holding, or disposition of this investment by such plans in general or any particular plan, or that this investment is appropriate for such plans generally or any particular plan.

PLAN OF DISTRIBUTION

The Royal Bank of Scotland plc and NIBC Bank N.V., in their capacity as Joint Lead Managers have agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay on a several, not joint basis, for each Class of the Notes (the "**Subscribed Notes**") pursuant to the Subscription Agreement, at the following issue prices:

(i) Class A-1 Notes, 99.746 per cent.

(ii) Class A-2 Notes, 100.00 per cent.;

(ii) Class B-1 Notes, 100.00 per cent.;

(iii) Class B-2 Notes, 100.00 per cent.;

(iv) Class C Notes, 99.687 per cent.;

(v) Class D Notes, 100.00 per cent.;

(vi) Class E Notes, 100.00 per cent.; and

(vii) Subordinated Notes, 100.00 per cent.,

(in each case less subscription and underwriting fees to be agreed between the Issuer and the Joint Lead Managers). The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers may offer the Notes at other prices as may be negotiated at the time of sale.

The Collateral Manager has agreed with the Joint Lead Managers, subject to the satisfaction of certain conditions, to purchase the Retention Notes on the Issue Date at the issue price applicable to the Subordinated Notes.

It is a condition of the issue of the Notes of each Class that the Notes of each other Class be issued in the following principal amounts: Class A-1 Notes: €161,000,000, Class A-2 Notes: €16,000,000, Class B-1 Notes: €27,000,000, Class B-2 Notes: €10,000,000, Class C Notes: €17,500,000, Class D Notes: €16,000,000, Class E Notes: €21,000,000 and Subordinated Notes: €37,500,000.

The Issuer has agreed to indemnify each of the Joint Lead Managers, the Arrangers, 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.

No action has been or will be taken by the Issuer, the Joint Lead Managers, the Arrangers, the Bookrunner or the Collateral Manager that would permit a public offering of the Notes or possession or distribution of this Offering Circular 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 Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, the Joint Lead Managers, the Arrangers or the Bookrunner.

The Issuer has been advised that (a) each of The Royal Bank of Scotland plc and NIBC Bank N.V. (in their capacity as Joint Lead Managers) proposes to resell the Subscribed Notes outside the United States to non-U.S. Persons in reliance on Regulation S, and (b) The Royal Bank of Scotland plc (in its capacity as Joint Lead Manager) proposes to resell the Subscribed Notes in the United States and outside the United States to U.S. Persons (directly or through its U.S. broker dealer Affiliate) who, in each case, are QIB/QPs, in reliance on Rule 144A.

The Joint Lead Managers or any of their Affiliates may retain a certain proportion of the Notes in their portfolios with an intention to hold to maturity or to trade. The holding or any sale of the Notes by these parties may adversely affect the liquidity of the Notes and may also affect the prices of the Notes in the primary or secondary market.

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

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes of each Class on the Main Securities Market of the Irish Stock Exchange. The Issuer and the Joint Lead Managers 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 Offering Circular does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Offering Circular to any such U.S. Person or to any person within the United States, other than in accordance with the procedures described above, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

(a) *United States*:

(i) Each Joint Lead Manager understands that the Notes have not been and will not be registered under the Securities Act and 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) except with respect to the Rule 144A Notes only, to a person that is a QIB/QP in reliance on Rule 144A, or pursuant to any other exemption from the registration requirements of the Securities Act.

(ii) Each Joint Lead Manager represents, warrants and agrees that:

(1) it is a QIB/QP and that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States or to, or for the account or benefit of, U.S. Persons except to persons (including any other distributor and any dealers) that are or that it reasonably believes are QIB/QPs, in reliance on Rule 144A;

(2) it has sold the Reg S Notes, and will offer and sell the Reg S Notes, (x) as part of their distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the **distribution compliance period**), only in accordance with Rule 903 of Regulation S, and it agrees that, at or prior to confirmation of any sale of Reg S Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

(3) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Reg S Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S;

(4) neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) under the Securities Act) in connection with any offer or sale of the Notes in the United States; and

(5) any offers or sale of the Notes made in the United States will be made by a registered broker-dealer which may include Affiliates of such Joint Lead Manager, who are registered as U.S. broker-dealers under the Exchange Act.

(b) *United Kingdom*: Each Joint Lead Manager has represented and agreed that:

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

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

Each Joint Lead Manager has also agreed to comply with the following selling restrictions:

(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**"). Each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time:

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

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the publication by the Issuer or any other entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of the Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that 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.

(d) *Austria*: No offering circular or prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*– KMG) (the "**KMG**") as amended. Neither this Offering Circular nor any other document connected therewith constitutes a prospectus according to the KMG and

neither this Offering Circular nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Joint Lead Managers. 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 an on exemption from the document publication requirement under the KMG. Each Joint Lead Manager 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.

(e) *Denmark*: Each Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Notes to the public in Denmark unless in accordance with the Danish Securities Trading Act, Consolidation Act No. 855 of 25 August 2012 as amended from time to time and any Orders issued thereunder.

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

(f) *France*: Neither this Offering Circular 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.

Each Joint Lead Manager has represented and agreed that:

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

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

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

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

(iii) such offers, sales and distributions will be made in France only:

(A) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), all other than individuals, in each case investing for their own account, all as defined in, and in accordance with, Articles L.411-2, D.411-1, and L.533-20 of the French Code Monétaire et Financier ("**CMF**");

(B) to investment services providers authorised to engage in portfolio management on behalf of third parties; or

(C) in a transaction that, in accordance with Article L.411-2 of the CMF and Article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

(g) *Germany*: The 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 (*Vermögensanlagengesetz*). Accordingly, the Joint Lead Managers have represented and agreed that no offer of the Notes will be made to the public in Germany. This Offering Circular 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.

(h) *Hong Kong*: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. Each Joint Lead Manager has therefore represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a 'structured product' as defined in the Notes and Futures Ordinance (cap. 571) of Hong Kong) other than (a) to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made under that ordinance ("professional investors"); or (b) in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance (cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) It has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the Securities Laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

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

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

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

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

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

(j) *Japan*: The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Joint Lead Manager 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 resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-

offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

(k) *Netherlands*: Each Joint Lead Manager has represented and agreed that it will not make an offer of the 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 Notes shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

(l) *Singapore*: This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") nor have any arrangements described in the Offering Circular, which constitute a collective investment scheme for the purposes of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), been approved or registered with the AMS as an authorised or recognised CIS under the SFA (whether as a restricted scheme or otherwise). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Sections 274 and 304 of the SFA, (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(m) *South Korea*: The Notes have not been registered with the Financial Services Commission of Korea for a public offering in Korea. Each Joint Lead Manager 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.

(n) *Spain*: Neither the Notes nor the Offering Circular have been approved or registered with the Spanish Notes Markets Commission (*Comision Nacional Del Mercado De Valores*). Accordingly, each Joint Lead Manager 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.

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

Each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in Sweden (the "**Sweden Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in Sweden except that it may, with effect from and including the Sweden Relevant Implementation Date, make an offer of such Notes to the public in Sweden:

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

(ii) at any time to fewer than 100 or, if Sweden has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of each Joint Lead Manager; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Joint Lead Managers 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 expression an offer of Notes to the public in relation to any Notes in Sweden 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 the Notes, as the same may be varied in Sweden by any measure implementing the Prospectus Directive in Sweden, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in Sweden), and includes any relevant implementing measure in Sweden and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

(p) *United Arab Emirates*: Each Joint Lead Manager has represented and agreed that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

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 Offering Circular, will be deemed to have represented and agreed that such person acknowledges that this Offering Circular is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, 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 Notes represented by a Rule 144A Global Certificate will be deemed to have represented and agreed and each purchaser of Rule 144A Notes represented by Definitive Certificates will be required to represent and agree, as follows:

(1) The purchaser (a) is a QIB, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is acquiring such Notes for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than €250,000 for the purchaser and for each such account and (d) will provide notice of the transfer restrictions described herein and under the "Notice to Investors" to any subsequent transferees.

(2) The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) to a person whom the purchaser reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States. The purchaser understands that the Issuer has not been registered under the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the form provided in the Trust Deed) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (2) will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(3) The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of its entire investment in the Rule 144A Notes under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

(4) In connection with the purchase of the Rule 144A Notes: (a) none of the Issuer, the Joint Lead Managers, the Trustee, the Collateral Manager or the Collateral Administrator is acting as a fiduciary or financial advisor for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Joint Lead Managers, the Trustee, the Collateral Manager or the Collateral Administrator, other than any representations set forth in this Offering Circular and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Joint Lead Managers, the Trustee, the Collateral

Manager or the Collateral Administrator has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Rule 144A Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Joint Lead Managers, the Trustee, the Collateral Manager or the Collateral Administrator; (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor.

(5) The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a QP. The purchaser is acquiring the Rule 144A Notes in a principal amount of not less than €250,000. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account: (a) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP); (b) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners; (c) is not a pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made; and (d) is not a broker dealer that owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issues. Further, the purchaser agrees with respect to itself and each such account: (x) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes; (y) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes; and (z) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP). The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (5) will be of no force and effect, will be void ab initio and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

(6) (a) With respect to the purchase, holding and disposition of any Class A Note, Class B Note, Class C Note, Class D Note or Class E Note or any interest in such Note (i) either (A) it is not, and is not acting on behalf of (and for so long as it holds any such Note or interest therein will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church, non-U.S. or other plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Notes or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (B) its acquisition, holding and disposition of such Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any Similar Law, and (ii) it will not sell or transfer such Notes (or interests therein) to an acquiror acquiring such Notes (or interests therein) unless the acquiror makes the foregoing representations, warranties and agreements described in clause (i) hereof. Any purported transfer of the Notes in violation of the requirements set forth in this paragraph shall be null and void ab initio and the acquiror understands that the Issuer will have the right to cause the sale of such Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(b) (i) With respect to the Subordinated Notes in the form of a Rule 144A Global Certificate: (i) it is not, and is not acting on behalf of, a Benefit Plan Investor or Controlling Person unless it receives the written consent of the Issuer, provides an ERISA certificate to the Issuer as to its status as a Benefit Plan Investor or Controlling Person and (unless the written consent of the Issuer to the contrary is obtained)

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

(ii) With respect to acquiring or holding a Subordinated Note in the form of a Definitive Note or Certificate (i) (A) whether or not, for so long as it holds such Subordinated Note or interest herein, it is, or is acting on behalf of, a Benefit Plan Investor, (B) whether or not, for so long as it holds such Subordinated Note or interest therein, it is a Controlling Person and (C) that (1) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Subordinated Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code and (2) if it is a governmental, church, non-U.S. or other plan, (x) it is not, and for so long as it holds such Subordinated Note or interest therein will not be, subject to any Similar Law and (y) its acquisition, holding and disposition of such Subordinated Note will not constitute or result in a non-exempt violation of any Similar Law, and (ii) that it will agree to certain transfer restrictions regarding its interest in such Subordinated Note. Any purported transfer of the Subordinated Notes in violation of the requirements set forth in this paragraph shall be null and void *ab initio* and the acquiror understands that the Issuer will have the right to cause the sale of such Subordinated Notes to another acquiror that complies with the requirements of this paragraph in accordance with the terms of the Trust Deed.

(c) The purchaser acknowledges that the Issuer, the Joint Lead Managers, the Trustee, the Collateral Manager and the Collateral Administrator and their Affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(7) The purchaser understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable, offered in reliance on Rule 144A will bear the legend set forth below, and will be represented by one or more Rule 144A Global Certificates or Rule 144A Definitive Certificates, as applicable. The Rule 144A Global Certificates may not at any time be held by or on behalf of U.S. Persons that are not QIB/QPs. Before any interest in a Rule 144A Global Certificate may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, the transferor will be required to provide the Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OR ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS

BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR 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 SUBORDINATED NOTES IN THE FORM OF RULE 144A GLOBAL CERTIFICATES ONLY*] EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25 PER CENT. OR MORE OF THE TOTAL VALUE OF THE SUBORDINATED NOTES TO

BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS ("**25 PER CENT. LIMITATION**").

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

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

WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

THE FAILURE TO PROVIDE THE ISSUER AND THE PRINCIPAL PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) INCLUDING ANY TRANSFEREE WILL PROVIDE THE ISSUER, THE TRUSTEE OR THEIR RESPECTIVE AGENTS WITH ANY CORRECT, COMPLETE AND ACCURATE INFORMATION THAT MAY BE REQUIRED FOR THE ISSUER TO COMPLY WITH FATCA AND WILL TAKE ANY OTHER ACTIONS NECESSARY FOR THE ISSUER TO COMPLY WITH FATCA AND, IN THE EVENT THE HOLDER FAILS TO PROVIDE SUCH INFORMATION OR TAKE SUCH ACTIONS, (A) THE ISSUER IS AUTHORISED TO WITHHOLD AMOUNTS OTHERWISE DISTRIBUTABLE TO THE HOLDER AS COMPENSATION FOR ANY AMOUNT WITHHELD FROM PAYMENTS TO THE ISSUER OR THE UNDERLYING ISSUER AS A RESULT OF SUCH FAILURE, AND (B) TO THE EXTENT NECESSARY TO AVOID AN ADVERSE EFFECT ON THE ISSUER, OR ANY OTHER HOLDER OF NOTES AS A RESULT OF SUCH FAILURE, THE ISSUER WILL HAVE THE RIGHT TO COMPEL THE HOLDER TO SELL ITS NOTES OR, IF SUCH HOLDER DOES NOT SELL ITS NOTES WITHIN 10 BUSINESS DAYS AFTER NOTICE FROM THE ISSUER, TO SELL SUCH NOTES AT A PUBLIC OR PRIVATE SALE CALLED AND CONDUCTED IN ANY MANNER PERMITTED BY LAW, AND TO REMIT THE NET PROCEEDS OF SUCH SALE (TAKING INTO ACCOUNT ANY TAXES INCURRED BY THE ISSUER IN CONNECTION WITH SUCH SALE) TO THE HOLDER AS PAYMENT IN FULL FOR SUCH NOTES. THE ISSUER MAY ALSO ASSIGN EACH SUCH NOTE A SEPARATE CUSIP OR CUSIPS IN THE ISSUER'S SOLE DISCRETION.

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

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL INDEMNIFY THE ISSUER, THE TRUSTEE AND THEIR RESPECTIVE AGENTS AND EACH OF THE HOLDERS OF NOTES FROM ANY AND ALL DAMAGES, COSTS AND EXPENSES (INCLUDING ANY AMOUNTS OF

TAXES, FEES, INTEREST, ADDITIONS TO TAX, OR PENALTIES) RESULTING FROM THE FAILURE BY SUCH HOLDER TO COMPLY WITH ITS OBLIGATIONS ABOVE. THIS INDEMNIFICATION WILL CONTINUE WITH RESPECT TO ANY PERIOD DURING WHICH THE HOLDER HELD A NOTE (OR AN INTEREST THEREIN), NOTWITHSTANDING THE HOLDER CEASING TO BE A HOLDER OF THE NOTE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY*] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE COLLATERAL ADMINISTRATOR AT 125 OLD BROAD STREET, LONDON, EC2N 1AR.

(8) The purchaser will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

(9) Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(10) Each holder of a Note (or any interest therein) including any transferee will provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and will take any other actions necessary for the Issuer to comply with FATCA and, in the event the holder fails to provide such information or take such actions, (A) the Issuer is authorised to withhold amounts otherwise distributable to the holder as compensation for any amount withheld from payments to the Issuer or the underlying issuer as a result of such failure, and (B) to the extent necessary to avoid an adverse effect on the Issuer, or any other holder of Notes as a result of such failure, the Issuer will have the right to compel the holder to sell its Notes or, if such holder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any taxes incurred by the Issuer in connection with such sale) to the holder as payment in full for such Notes. The Issuer may also assign each such Note a separate CUSIP or CUSIPs in the Issuer's sole discretion.

(11) Each holder of a Note (or any interest therein) will be deemed to have represented and agreed to treat the Issuer and the Notes as described in the "Tax Considerations—United States Federal Income Taxation" section of the Offering Circular for all U.S. federal, state and local income tax purposes and to take no action inconsistent with such treatment unless required by law.

(12) Each holder of a Note (or any interest therein) will indemnify the Issuer and its respective agents and each of the holders of Notes from any and all damages, costs and expenses (including any amounts of taxes, fees, interest, additions to tax, or penalties) resulting from the failure by such holder to comply with paragraphs (10) and (11) above. This indemnification will continue with respect to any period during which the holder held a Note (or an interest therein), notwithstanding the holder ceasing to be a holder of the Note.

(14) The purchaser understands and acknowledges that the Issuer has the right under the Trust Deed to compel any Non-Permitted Noteholder or Non-Permitted ERISA Noteholder to sell its interest in the Notes or may sell such interest in its Notes on behalf of such Non-Permitted Noteholder or Non-Permitted ERISA Noteholder.

Regulation S Notes

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

(1) The purchaser is located outside the United States and is not a U.S. Person.

(2) The purchaser understands that the Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Joint Lead Managers and any of their Affiliates, that, if it decides to resell, pledge or otherwise transfer such Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or transfer of such Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person (A) it reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a nominal amount of not less than €250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A and takes delivery in the form of a Rule 144A Note and (B) that constitutes a QP; or (ii) to a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

(3) The purchaser understands that unless the Issuer determines otherwise in compliance with applicable law, such Notes will bear a legend set forth below.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OR ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF CLAUSE (1), IN A PRINCIPAL AMOUNT OF NOT LESS THAN €250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, IN EACH CASE, TO A PURCHASER THAT (V) IS A QUALIFIED PURCHASER FOR THE PURPOSE OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25,000,000 IN NOTES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION OR IN THE CASE OF CLAUSE (2), IN A PRINCIPAL AMOUNT NOT LESS THAN €100,000 AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRANSFER AGENT OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, IN THE

EVENT OF A VIOLATION OF (V) THROUGH (Z), THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE TRUST DEED) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE TRUST DEED. EACH TRANSFEROR OF THIS NOTE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE TRUST DEED TO ITS TRANSFEREE.

TRANSFERS OF THIS NOTE OR OF PORTIONS OF THIS NOTE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE TRUST DEED REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE COLLATERAL ADMINISTRATOR.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS A NOTES, CLASS B NOTES, CLASS C NOTES, CLASS D NOTES AND CLASS E NOTES ONLY*] [EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (I) EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, AN EMPLOYEE BENEFIT PLAN, AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) ("**BENEFIT PLAN INVESTOR**"), OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTES OR ANY INTEREST THEREIN CONSTITUTES THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES (OR INTERESTS THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SIMILAR 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 SUBORDINATED NOTES IN THE FORM OF REGULATION S GLOBAL NOTES ONLY*] EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON UNLESS SUCH PURCHASER OR TRANSFEREE RECEIVES THE WRITTEN CONSENT OF THE ISSUER, PROVIDES AN ERISA CERTIFICATE TO THE ISSUER AS TO ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND (UNLESS THE WRITTEN CONSENT OF THE ISSUER TO THE CONTRARY IS OBTAINED) HOLDS SUCH

NOTE IN THE FORM OF A DEFINITIVE CERTIFICATE AND (2) (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR AN INTEREST HEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER AND THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SIMILAR LAW. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA, AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, (B) A PLAN THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON. ANY PURPORTED TRANSFER OF THE SUBORDINATED NOTES IN VIOLATION OF THE REQUIREMENTS SET FORTH IN THIS PARAGRAPH SHALL BE NULL AND VOID *AB INITIO* AND THE ACQUIROR UNDERSTANDS THAT THE ISSUER WILL HAVE THE RIGHT TO CAUSE THE SALE OF SUCH SUBORDINATED NOTES TO ANOTHER ACQUIROR THAT COMPLIES WITH THE REQUIREMENTS OF THIS PARAGRAPH IN ACCORDANCE WITH THE TERMS OF THE TRUST DEED.

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

THE ISSUER HAS THE RIGHT, UNDER THE TRUST DEED, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25 PER CENT. LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]

[*LEGEND TO BE INCLUDED IN RELATION TO THE SUBORDINATED NOTES IN THE FORM OF DEFINITIVE CERTIFICATES ONLY*] EACH PURCHASER OR TRANSFEREE OF THIS SUBORDINATED NOTE WILL BE REQUIRED TO REPRESENT AND WARRANT IN WRITING TO THE ISSUER (A) WHETHER OR NOT, FOR SO LONG AS IT HOLDS THIS SUBORDINATED NOTE

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

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THE FAILURE TO PROVIDE THE ISSUER AND THE PRINCIPAL PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE U.S. INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) MAY RESULT IN U.S. FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE.

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) INCLUDING ANY TRANSFEREE WILL PROVIDE THE ISSUER OR ITS AGENTS WITH ANY CORRECT, COMPLETE AND ACCURATE INFORMATION THAT MAY BE REQUIRED FOR THE ISSUER TO COMPLY WITH FATCA AND WILL TAKE ANY OTHER ACTIONS NECESSARY FOR THE ISSUER TO COMPLY WITH FATCA AND, IN THE EVENT THE HOLDER FAILS TO PROVIDE SUCH INFORMATION OR TAKE SUCH ACTIONS, (A) THE ISSUER IS AUTHORISED TO WITHHOLD AMOUNTS OTHERWISE DISTRIBUTABLE TO THE HOLDER AS COMPENSATION FOR ANY AMOUNT WITHHELD FROM PAYMENTS TO THE ISSUER OR THE UNDERLYING ISSUER AS A RESULT OF SUCH FAILURE, AND (B) TO THE EXTENT NECESSARY TO AVOID AN ADVERSE EFFECT ON THE ISSUER, OR ANY OTHER HOLDER OF NOTES AS A RESULT OF SUCH FAILURE, THE ISSUER WILL HAVE THE RIGHT TO COMPEL THE HOLDER TO SELL ITS NOTES OR, IF SUCH HOLDER DOES NOT SELL ITS NOTES WITHIN 10 BUSINESS DAYS AFTER NOTICE FROM THE ISSUER, TO SELL SUCH NOTES AT A PUBLIC OR PRIVATE SALE CALLED AND CONDUCTED IN ANY MANNER PERMITTED BY LAW, AND TO REMIT THE NET PROCEEDS OF SUCH SALE (TAKING INTO ACCOUNT ANY TAXES INCURRED BY THE ISSUER IN CONNECTION WITH SUCH SALE) TO THE HOLDER AS PAYMENT IN FULL FOR SUCH NOTES. THE ISSUER MAY ALSO ASSIGN EACH SUCH NOTE A SEPARATE CUSIP OR CUSIPS IN THE ISSUER'S SOLE DISCRETION.

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

EACH HOLDER OF A NOTE (OR ANY INTEREST THEREIN) WILL INDEMNIFY THE ISSUER, THE TRUSTEE AND THEIR RESPECTIVE AGENTS AND EACH OF THE HOLDERS OF NOTES FROM ANY AND ALL DAMAGES, COSTS AND EXPENSES (INCLUDING ANY AMOUNTS OF TAXES, FEES, INTEREST, ADDITIONS TO TAX, OR PENALTIES) RESULTING FROM THE FAILURE BY SUCH HOLDER TO COMPLY WITH ITS OBLIGATIONS ABOVE. THIS INDEMNIFICATION WILL CONTINUE WITH RESPECT TO ANY PERIOD DURING WHICH THE HOLDER HELD A NOTE (OR AN INTEREST THEREIN), NOTWITHSTANDING THE HOLDER CEASING TO BE A HOLDER OF THE NOTE.

[*LEGEND TO BE INCLUDED IN RELATION TO THE CLASS C NOTES, THE CLASS D NOTES AND THE CLASS E NOTES ONLY*] THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY CONTACTING THE COLLATERAL ADMINISTRATOR AT 125 OLD BROAD STREET, LONDON, EC2N 1AR.

(4) That neither the Issuer, its Affiliates (as defined in Rule 405 under the Securities Act) nor any persons (other than the Collateral Manager, as to whom no representation or warranty is made) acting on its or their behalf have engaged or will engage in any "directed selling efforts" (as defined in Regulation S under the Securities Act) in respect of the Notes.

(5) The Issuer, its Affiliates and any person (other than the Joint Lead Managers, as to whom no representation or warranty is made) acting on its or their behalf have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

(6) The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf of, U.S. Persons.

(7) The purchaser acknowledges that the Issuer, the Joint Lead Managers, the Trustee, the Collateral Manager or the Collateral Administrator, the Agents and their Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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

GENERAL INFORMATION

Clearing Systems

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

	Regulation S Notes		Rule 144 A Notes	
	ISIN	Common Code	ISIN	Common Code
Class A-1 Notes	XS0999650376	099965037	XS0999650962	099965096
Class A-2 Notes	XS0999651184	099965118	XS0999651341	099965134
Class B-1 Notes	XS0999651697	099965169	XS0999652315	099965231
Class B-2 Notes	XS1004566482	100456648	XS1004567027	100456702
Class C Notes	XS0999652406	099965240	XS0999653719	099965371
Class D Notes	XS0999654105	099965410	XS0999654527	099965452
Class E Notes	XS0999655094	099965509	XS0999655417	099965541
Subordinated Notes	XS0999655920	099965592	XS0999656225	099965622

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 Notes to be admitted to the Official List and trading on its Main Securities Market. The Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the 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.

Expenses in relation to Admission to Trading

The expenses in relation to the admission of the Notes to trading on the Main Securities Market will be approximately EUR 5,200.

Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the board of Directors of the Issuer passed on 17 December 2013.

No Significant or Material Change

There has been no significant change in the financial or trading position or prospects of the Issuer since its incorporation on 18 November 2013 and there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 18 November 2013.

No Litigation

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

Accounts

Since the date of its incorporation, other than entering into the Forward Purchase Agreement, the Issuer has not commenced operations and has not produced accounts.

So long as any Note remains outstanding, copies of the most recent annual audited financial statements of the Issuer can be obtained at the specified offices of the Issuer during normal business hours. The first financial statements of

the Issuer will be in respect of the period from incorporation to 31 December 2014. The annual accounts of the Issuer will be audited. The Issuer will not prepare interim financial statements.

The Trust Deed requires the Issuer to provide written confirmation to the Trustee on an annual basis and otherwise promptly on request that no Event of Default or Potential Event of Default (as defined in the Trust Deed) or other matter which is required to be brought to the Trustee's attention has occurred.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

Documents Available

Copies of the following documents may be inspected in electronic format (and, in the case of each of (g) and (h) below, will be available for collection free of charge and will be available to any person who informs the Collateral Administrator that it is a prospective investors in the Notes) 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 Articles of Association of the Issuer;

(b) the Trust Deed (which includes the form of each Note of each Class);

(c) the Agency and Account Bank Agreement;

(d) the Collateral Management and Administration Agreement;

(e) the Forward Purchase Agreement;

(f) the Issuer Management Agreements;

(g) each Monthly Report; and

(h) each Payment Date Report.

Post Issuance Reporting

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

Enforceability of Judgments

The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. 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 and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters, a final judgment rendered by any federal court in the United States based on civil liability would not be enforceable in The Netherlands. However, if the party in whose favour such final judgment is rendered brings a new suit in a competent court in The Netherlands, such party may submit to a Dutch court the final judgment that has been rendered in the United States. Common law rules apply in order to determine whether a judgment of the United States courts shall be recognised

and will then be enforceable in The Netherlands. A judgment of the United States courts will be recognised by the courts of The Netherlands if the following general requirements are met:

(i) the United States court rendering the judgment had jurisdiction over the subject matter of the litigation on internationally acceptable grounds and has conducted the proceedings in accordance with general principles of fair trial;

(ii) the foreign judgment is final and definite; and

(iii) such recognition is not in conflict with an existing Dutch judgment or with Dutch public policy (i.e. a fundamental principle of Dutch law).

Foreign Language

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

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ANNEX A
S&P RECOVERY RATES

(a) If a Collateral Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same Obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of the Collateral Debt Obligation	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	75%	85%	88%	90%	92%	95%
1	65%	75%	80%	85%	90%	95%
2	50%	60%	66%	73%	79%	85%
3	30%	40%	46%	53%	59%	65%
4	20%	26%	33%	39%	43%	45%
5	5%	10%	15%	20%	23%	25%
6	2%	4%	6%	8%	10%	10%

(b) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is an Unsecured Senior Obligation or Second Lien Loan and (y) the Obligor of such Collateral Obligation has other debt that is outstanding and senior to such Collateral Obligation that is a Secured Senior Obligation (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations where the Obligor is Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%

For Collateral Obligations where the Obligor is Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	24%	27%	29%
1	16%	18%	21%	24%	27%	29%
2	16%	18%	21%	24%	27%	29%
3	10%	13%	15%	18%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%

For Collateral Obligations where the Obligor is Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%

(c) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a Mezzanine Obligation and (y) the Obligor or issuer of such Collateral Obligation has other debt that is outstanding and senior to such Collateral Obligation that is a Senior Secured Obligation (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations where the Obligor is Domiciled in Groups A, B, C and D

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%

Recovery rate

(d) If an S&P Recovery Rate cannot be determined using the above clauses (a)-(c), the S&P Recovery Rate shall be determined as follows:

Recovery rates for Obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Rated Note Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Secured Senior Loans (other than Cov-Lite Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%
Secured Senior Notes and Cov-Lite Loans						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Unsecured Senior Obligations, Mezzanine Obligations and Second Lien Loans						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%

Domicile of Obligors:

Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, UK.

Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.

Group C: Argentina, Brazil, Chile, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.

Group D: Kazakhstan, Russia, Ukraine, others.

For the purposes of the above:

(a) "**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rating is being determined, the "recovery rating" assigned by S&P to such Collateral Obligation; and

(b) "**S&P Recovery Rate**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "recovery rate" assigned by S&P to such Collateral Obligation, based upon the tables set forth in this Annex A.

ANNEX B
FORM OF ERISA AND TAX CERTIFICATE

The purpose of this ERISA and Tax Certificate (this "**Certificate**") is, among other things, to (i) endeavour to ensure that less than 25 per cent. of the value of the Subordinated Notes issued by North Westerly CLO IV 2013 B.V. (the "**Issuer**") is held by (a) an employee benefit plan that is subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986 (the "**Code**") or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "Benefit Plan Investors"), (ii) obtain from you certain representations and agreements and (iii) provide you with certain related information with respect to your acquisition, holding and disposition of the Subordinated Notes. By signing this Certificate, you agree to be bound by its terms.

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalised terms not defined in this Certificate shall have the meanings ascribed to them in the Trust Deed.

If a box is not checked, you are agreeing that the applicable Section does not, and will not, apply to you.

1. Employee Benefit Plans Subject to ERISA or the Code. We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to the fiduciary responsibility provisions of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

    Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. Entity Holding Plan Assets. We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" by reason of a Benefit Plan Investor's investment in such entity.

    Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25 per cent. or more of the value of any class of its equity is held by Benefit Plan Investors.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code: ______per cent.

An entity or fund that cannot provide the foregoing percentage hereby acknowledges that for purposes of determining whether Benefit Plan Investors own less than 25 per cent. of the value of the 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 Subordinated Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**").

    If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of conducting the 25 per cent. test under the Plan Asset Regulations: ____per cent. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100 PER CENT. IN THE BLANK SPACE.

4. None of Sections (1) Through (3) Above Apply. We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections (1) through (3) above. If, after the date hereof, any of the categories described in Sections (1) through (3) above would apply, we will promptly notify the Issuer of such change.

5. No Prohibited Transaction. If we checked any of the boxes in Sections (1) through (3) above, we represent, warrant and agree that our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or give rise to a non-exempt prohibited transaction under section 406 of ERISA or Section 4975 of the Code.

6. Not Subject to Similar Law and No Violation of Similar Law. If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or give rise to a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

7. Controlling Person. We are, or we are acting on behalf of any of: (i) the Collateral Manager, (ii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iii) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (iv) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person."

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25 per cent. of the value of the Subordinated Notes, or the 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 Noteholder within 14 days after the date of such notice;

(ii) if we fail to transfer our Subordinated Notes, the Issuer shall have the right, without further notice to us, to sell our Subordinated Notes or our interest in the Subordinated Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Noteholder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the 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 Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and the Issuer shall not be liable to us as a result of any such sale or the exercise of such discretion.

Required Notification and Agreement. We hereby agree that we (a) will inform the Issuer of any proposed transfer by us of all or a specified portion of the Subordinated Notes and (b) will not initiate any such transfer after we have been informed by the Issuer in writing that such transfer would cause the 25 per cent. Limitation to be exceeded. We hereby agree and acknowledge that after the Issuer effects any permitted transfer of Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Issuer shall include such Subordinated Notes in future calculations of the 25 per cent. Limitation made pursuant hereto unless subsequently notified that such Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

9. 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 Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer to determine that Benefit Plan Investors own or hold less than 25 per cent. of the value of the Subordinated Notes upon any subsequent transfer of the Subordinated Notes in accordance with the Trust Deed.

10. 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 Royal Bank of Scotland plc, NIBC Bank N.V. 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 Royal Bank of Scotland plc, NIBC Bank N.V., 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 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.

11. Future Transfer Requirements.

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any of the Subordinated Notes to any person unless the Issuer has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Issuer is as follows:
North Westerly CLO IV 2013 B.V., Claude Debussylaan 18, 1082 MD Amsterdam, The Netherlands.

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

____

[Insert Purchaser's Name]

By:
Name:
Title:
Dated:
This Certificate relates to €_________ of Subordinated Notes

REGISTERED OFFICE OF THE ISSUER

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Claude Debussylaan 18, 1082 MD
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