

Carlyle Global Market Strategies CLO 2016-3, Ltd.  
c/o Walkers Fiduciary Limited  
Cayman Corporate Centre  
27 Hospital Road, George Town  
Grand Cayman KY1-9008  
Cayman Islands

## NOTICE OF PROPOSED FIRST SUPPLEMENTAL INDENTURE

Date of Notice: January 28, 2020

**NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.**

To the Holders of securities<sup>1</sup> described below:

Class	Rule 144A	Reg S	Accredited Investor
A-1 Notes	14311UAA6	G1912TAA2	-
A-2 Notes	14311UAC2	G1912TAB0	-
B Notes	14311UAE8	G1912TAC8	-
C Notes	14311UAG3	G1912TAD6	-
D Notes	14311WAA2	G1912VAA7	-
Subordinated Notes	14311WAC8	G1912VAB5	14311WAD6

And to: Those Additional Parties listed on Schedule I hereto.

Reference is made to the Indenture dated as of September 13, 2016 (as amended, modified or supplemented from time to time, prior to the date hereof, the “Indenture”), by and among Carlyle Global Market Strategies CLO 2016-3, Ltd. (the “Issuer”), Carlyle Global Market Strategies CLO 2016-3, LLC (the “Co-Issuer” and together with the Issuer, the “Co-Issuers”) and State Street Bank and Trust Company, as Trustee.

A Majority of the Subordinated Notes has delivered a direction to the Issuer, the Trustee and the Collateral Manager directing redemption of all Outstanding Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes from Refinancing Proceeds (the “Refinancing Redemption”), pursuant to Sections 9.2(a) and Section 9.2(e) of the Indenture on any Business Day on or after February 13, 2020. The Co-Issuers have advised the Trustee that, in connection with such Refinancing Redemption, the Co-Issuers contemplate entering into a First Supplemental Indenture, substantially in the form attached hereto as Exhibit A.

No redemption date has been fixed at this time, and this notice is not the notice of redemption contemplated by Section 9.4(a) of the Indenture. The First Supplemental Indenture

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<sup>1</sup> No representation is made as to the correctness of the CUSIP numbers either as printed on the Notes or as contained in this notice. Such numbers are included solely for the convenience of the Holders.

shall not become effective until all conditions precedent set forth in the Indenture and the First Supplemental Indenture have been satisfied or waived.

This Notice is being sent to Noteholders on behalf of the Issuer by State Street Bank and Trust Company in its capacity as Trustee. Questions may be directed to the Trustee: c/o Thomas Sheehan (thomas.sheehan@statestreet.com) or Brian Peterson (brian.peterson@statestreet.com).

The CUSIP numbers appearing in this Notice are included solely for the convenience of the Noteholders. The Trustee is not responsible for the selection or use of the CUSIP numbers, or for the accuracy or correctness of CUSIP numbers printed on the Notes or as indicated in this Notice. Recipients of this Notice are cautioned that this Notice is not evidence that the Trustee will recognize the recipient as a Noteholder. Under the Indenture, the Trustee is required only to recognize and treat the person in whose name a Note is registered on the registration books maintained by the Trustee as a Noteholder.

STATE STREET BANK AND TRUST COMPANY, as Trustee

## **SCHEDULE I**

### Additional Parties

#### **Issuer**

Carlyle Global Market Strategies CLO 2016-3, Ltd.  
c/o Walkers Fiduciary Limited  
Cayman Corporate Centre  
27 Hospital Road, George Town  
Grand Cayman KY1-9008  
Cayman Islands

#### **Co-Issuer**

Carlyle Global Market Strategies CLO 2016-3, LLC  
c/o Puglisi & Associates  
850 Library Avenue – Suite 204  
Newark, Delaware 19711

#### **Collateral Administrator**

State Street Bank and Trust Company  
Attention: Structured Trust & Analytics  
Mail Stop: JAB0130  
1776 Heritage Drive  
North Quincy, MA 02171

#### **Collateral Manager:**

Carlyle GMS CLO Management L.L.C.  
520 Madison Avenue  
New York, New York 10019

#### **Rating Agencies:**

Moody's Investor's Service  
E-mail: [cdomonitoring@moodys.com](mailto:cdomonitoring@moodys.com)

Fitch Ratings, Inc.  
E-mail: [cdo.surveillance@fitchratings.com](mailto:cdo.surveillance@fitchratings.com)

**Euronext Dublin:**

c/o Walkers Listing Services Limited  
The Anchorage  
17/19 Sir Rogerson's Quay  
Dublin 2, Ireland  
Email: [Therese.Redmond@walkersglobal.com](mailto:Therese.Redmond@walkersglobal.com)

**EXHIBIT A**

[Form of Proposed First Supplemental Indenture]

FIRST SUPPLEMENTAL INDENTURE

dated as of [ ], 2020

among

CARLYLE GLOBAL MARKET STRATEGIES CLO 2016-3, LTD.  
as Issuer

and

CARLYLE GLOBAL MARKET STRATEGIES CLO 2016-3, LLC  
as Co-Issuer

and

STATE STREET BANK AND TRUST COMPANY  
as Trustee

to

the Indenture, dated as of September 13, 2016,  
among the Issuer, the Co-Issuer and the Trustee

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of [ ], 2020 (this "Supplemental Indenture"), among Carlyle Global Market Strategies CLO 2016-3, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Issuer (the "Issuer"), Carlyle Global Market Strategies CLO 2016-3, LLC, a limited liability company formed under the laws of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers") and State Street Bank and Trust Company, as trustee (the "Trustee"), is entered into pursuant to the terms of the Indenture, dated as of September 13, 2016, among the Issuer, the Co-Issuer and the Trustee (as amended, modified or supplemented from time to time, the "Indenture"). Capitalized terms used in this Supplemental Indenture that are not otherwise defined herein have the meanings assigned thereto in Section 1.1 of the Indenture.

#### PRELIMINARY STATEMENT

WHEREAS, pursuant to Section 8.1(a)(x)(C) of the Indenture, without the consent of any Holder, but with the consent of the Collateral Manager, the Co-Issuers, when authorized by Resolutions, at any time and from time to time, may, without an Opinion of Counsel being provided to the Co-Issuers or the Trustee as to whether or not any Class of Notes would be materially and adversely affected thereby, enter into one or more supplemental indentures, in form satisfactory to the Trustee, with the consent of a Majority of the Subordinated Notes to facilitate the issuance by the Co-Issuers in accordance with Sections 3.2 and 9.2 of the Indenture (for which any required consent has been obtained) of replacement notes in connection with a Refinancing;

WHEREAS, the Co-Issuers desire to enter into this Supplemental Indenture to make changes necessary to issue replacement notes in connection with a Refinancing of the Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes pursuant to Section 9.2(e) of the Indenture through issuance on the date of this Supplemental Indenture of the classes of notes set forth in Section 1(a) below;

WHEREAS, all of the Outstanding Class A-1 Notes, Class A-2 Notes, Class B Notes and Class C Notes are being redeemed simultaneously with the execution of this Supplemental Indenture by the Co-Issuers and the Trustee;

WHEREAS, the Class D Notes and Subordinated Notes shall remain Outstanding following the Refinancing;

WHEREAS, pursuant to Section 9.2(e) of the Indenture, the Collateral Manager and a Majority of the Subordinated Notes have consented to this Supplemental Indenture;

WHEREAS, the conditions required for a Refinancing upon a Partial Redemption specified in Section 9.2(g) of the Indenture have been satisfied;

WHEREAS, pursuant to Section 8.3(c) of the Indenture, the Trustee has delivered an initial copy of this Supplemental Indenture to the Collateral Manager, the Collateral Administrator, the Rating Agencies, and the Holders of each Note not later than five Business Days prior to the execution hereof;

WHEREAS, pursuant to Section 8.1(c) of the Indenture, Rating Agency Confirmation has been obtained;

WHEREAS, the conditions set forth in the Indenture for entry into a supplemental indenture pursuant to Section 8.1 of the Indenture have been satisfied; and

WHEREAS, pursuant to the terms of this Supplemental Indenture, each purchaser of a Refinancing Note (as defined in Section 1(a) below) on the First Refinancing Date will be deemed to have consented to the execution of this Supplemental Indenture by the Co-Issuers and the Trustee.

NOW THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the Co-Issuers and the Trustee hereby agree as follows:

**SECTION 1. Terms of the Refinancing Notes and Amendments to the Indenture.**

(a) The Co-Issuers shall issue replacement notes (referred to herein as the "Refinancing Notes") the proceeds of which shall be used to redeem the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes issued on September 13, 2016 under the Indenture (such Notes, the "Refinanced Notes"), which Refinancing Notes shall be divided into the Classes, having the designations, original principal amounts and other characteristics as follows:

	<b>Refinancing Notes</b>			
<b>Designation</b>	<b>Class A-1-R Notes</b>	<b>Class A-2-R Notes</b>	<b>Class B-R Notes</b>	<b>Class C-R Notes</b>
			Senior Secured	Mezzanine Secured
<b>Type .....</b>	Senior Secured Floating Rate	Senior Secured Floating Rate	Deferrable Floating Rate	Deferrable Floating Rate
<b>Issuer(s) .....</b>	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers
<b>Initial Principal Amount (U.S.\$)</b>	\$[323,000,000]	\$[62,000,000]	\$[25,000,000]	\$[30,000,000]
<b>Expected Moody's Initial Rating</b>	"[Aaa (sf)]"	"[Aa2 (sf)]"	"[A2 (sf)]"	"[Baa3 (sf)]"
<b>Expected Fitch Initial Rating</b>	"[AAA (sf)]"	N/A	N/A	N/A
<b>Index Maturity</b>	3 months	3 months	3 months	3 months
<b>Interest Rate:<sup>(1)(2)(3)</sup></b>	Benchmark + [ ]%	Benchmark + [ ]%	Benchmark + [ ]%	Benchmark + [ ]%
<b>Interest Deferrable</b>	No	No	Yes	Yes
<b>Stated Maturity (Payment Date in)</b>	October 2029	October 2029	October 2029	October 2029
<b>Minimum Denominations (U.S.\$) (Integral Multiples)</b>	U.S.\$250,000 (U.S.\$1.00)	U.S.\$250,000 (U.S.\$1.00)	U.S.\$250,000 (U.S.\$1.00)	U.S.\$250,000 (U.S.\$1.00)
<b>Priority Class(es)</b>	None	A-1-R	A-1-R, A-2-R	A-1-R, A-2-R, B-R
<b>Pari Passu Class(es)</b>	None	None	None	None
<b>Junior Class(es)</b>	A-2-R, B-R, C-R, D, Subordinated	B-R, C-R, D, Subordinated	C-R, D, Subordinated	D, Subordinated

<sup>1</sup> Initially, the Benchmark will be LIBOR. The Interest Rate index with respect to the Refinancing Notes may be changed to a Benchmark Replacement following the occurrence a Benchmark Transition Event and its related Benchmark Replacement Date (as determined by the Collateral Manager).

<sup>2</sup> The interest rate applicable with respect to any Class of Re-Pricing Eligible Notes may be reduced in connection with a Re-Pricing of such Class of Notes, subject to the conditions set forth in Section 9.8.

<sup>3</sup> LIBOR for the period commencing on the First Refinancing Date to and including the first Payment Date following the First Refinancing Date will be determined by interpolating linearly (and rounding to five decimal places) between the rate for the next shorter period of time for which rates are available and for the rate for the next longer period of time for which rates are available.



(b) The issuance date of the Refinancing Notes shall be [ ], 2020 (the "First Refinancing Date") and the Redemption Date of the Refinanced Notes shall also be [ ], 2020. Payments on the Refinancing Notes issued on the First Refinancing Date will be made on each Payment Date, commencing on the Payment Date in April 2020.

(c) Effective as of the date hereof, the Indenture shall be amended as follows:

1. The definition of "Class A-1 Notes" is deleted in its entirety and replaced with the following:

"Class A-1 Notes": Prior to the First Refinancing Date, the Class A-1 Senior Secured Floating Rate Notes issued pursuant to this Indenture on the Closing Date, and on and after the First Refinancing Date, the Class A-1-R Notes.

2. The definition of "Class A-2 Notes" is deleted in its entirety and replaced with the following:

"Class A-2 Notes": Prior to the First Refinancing Date, the Class A-2 Senior Secured Floating Rate Notes issued pursuant to this Indenture on the Closing Date, and on and after the First Refinancing Date, the Class A-2-R Notes.

3. The definition of "Class B Notes" is deleted in its entirety and replaced with the following:

"Class B Notes": Prior to the First Refinancing Date, the Class B Senior Secured Deferrable Floating Rate Notes issued pursuant to this Indenture on the Closing Date, and on and after the First Refinancing Date, the Class B-R Notes.

4. The definition of "Class C Notes" is deleted in its entirety and replaced with the following:

"Class C Notes": Prior to the First Refinancing Date, the Class C Mezzanine Secured Deferrable Floating Rate Notes issued pursuant to this Indenture on the Closing Date, and on and after the First Refinancing Date, the Class C-R Notes.

5. The definition of "Closing Date" is deleted in its entirety and replaced with the following:

"Closing Date": September 13, 2016, or, when relating solely to the Refinancing Notes, the First Refinancing Date.

6. The definition of "LIBOR" is deleted in its entirety and replaced with the following:

"LIBOR": With respect to the Rated Notes for any Interest Accrual Period (or, for the first Interest Accrual Period, the relevant portion thereof), will equal the greater of (i) zero and (ii)(a) the rate appearing on the Reuters Screen for deposits with the Index Maturity or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Collateral Manager with notice to the Calculation Agent (the "Reference Banks") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual

Period and an amount approximately equal to the amount of the Aggregate Outstanding Amount of the Rated Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100,000). If fewer than two quotations are provided as requested, LIBOR with respect to such period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Collateral Manager with notice to the Calculation Agent at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Rated Notes. If the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, LIBOR will be LIBOR as determined on the previous Interest Determination Date. LIBOR, when used with respect to a Collateral Obligation, means the LIBOR rate determined in accordance with the terms of such Collateral Obligation; *provided*, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR (as determined by the Collateral Manager), LIBOR with respect to the Refinancing Notes (and the Class D Notes, if the interest rate index for the Class D Notes is the Benchmark) shall be replaced with an Alternative Reference Rate.



"Benchmark": The meaning specified in Section 8.7.

"Benchmark Replacement": The meaning specified in Section 8.7.

"Benchmark Replacement Adjustment": The meaning specified in Section 8.7.

"Benchmark Replacement Conforming Changes": The meaning specified in Section 8.7.

"Benchmark Replacement Date": The meaning specified in Section 8.7.

"Benchmark Transition Event": The meaning specified in Section 8.7.

"Class A-1-R Notes": The Class A-1-R Senior Secured Floating Rate Notes issued on the First Refinancing Date and having the characteristics specified in Section 2.3.

"Class A-2-R Notes": The Class A-2-R Senior Secured Floating Rate Notes issued on the First Refinancing Date and having the characteristics specified in Section 2.3.

"Class B-R Notes": The Class B-R Senior Secured Deferrable Floating Rate Notes issued on the First Refinancing Date and having the characteristics specified in Section 2.3.

"Class C-R Notes": The Class C-R Mezzanine Secured Deferrable Floating Rate Notes issued on the First Refinancing Date and having the characteristics specified in Section 2.3.

"Compounded SOFR": The meaning specified in Section 8.7.

"Fallback Rate": The meaning specified in Section 8.7.

"Federal Reserve Bank of New York's Website": The meaning specified in Section 8.7.

"First Refinancing Date": [ ], 2020.

"Reference Rate Modifier": The meaning specified in Section 8.7.

"Reference Time": The meaning specified in Section 8.7.

"Relevant Governmental Body": The meaning specified in Section 8.7.

"Refinancing Notes": The Class A-1-R Notes, the Class A-2-R Notes, the Class B-R Notes and the Class C-R Notes.

"Refinancing Placement Agent": Mizuho Securities USA LLC, in its capacity as placement agent under the Refinancing Placement Agency Agreement.

"Refinancing Placement Agency Agreement": The placement agency agreement dated as of the First Refinancing Date, by and among the Co-Issuers and the Refinancing Placement Agent.

"SOFR": The meaning specified in Section 8.7.

"Term SOFR": The meaning specified in Section 8.7.

"Unadjusted Benchmark Replacement": The meaning specified in Section 8.7.

11. On and after the First Refinancing Date, the table in Section 2.3 of the Indenture shall be modified by adding the table in Section 1(a) of this Supplemental Indenture.

12. The following new Section 8.7 shall be added to the Indenture as set forth below:

"Section 8.7. Effect of Benchmark Transition Event

(a) If the Collateral Manager determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Alternative Reference Rate will replace the then-current Benchmark for the Refinancing Notes (and the Class D Notes, if the interest rate index for the Class D Notes is the Benchmark) for all purposes relating to the securitization in respect of such determination on such date and all determinations on all subsequent dates. A supplemental indenture shall not be required in order to adopt a Benchmark Replacement.

(b) In connection with the implementation of an Alternative Reference Rate, the Collateral Manager will have the right to make Benchmark Replacement Conforming Changes from time to time.

(c) Any determination, decision or election that may be made by the Collateral Manager pursuant to this Section 8.7, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Collateral Manager's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the securities, shall become effective without consent from any other party.

(d) The following terms have the respective meanings set forth below:

"Alternative Reference Rate": A replacement rate that for the Benchmark that is: (1) if such Alternative Reference Rate is not the Benchmark Replacement (as determined by the Collateral Manager with notice to the Issuer, the Trustee (who shall forward notice to the Holders of the Notes and the Holders of the Subordinated Notes at the direction of the Collateral Manager), the Collateral Administrator and the Calculation Agent), the rate proposed by the Collateral Manager and consented to by a Majority of the Controlling Class and a Majority of the Subordinated Notes and (2) if such Alternative Reference Rate is the Benchmark Replacement (as determined by the Collateral Manager with notice to the Issuer, the Trustee (who shall forward notice to the Holders of the Notes and the Holders of the Subordinated Notes at the direction of the Collateral Manager), the Collateral Administrator and the Calculation Agent), the rate proposed by the Collateral Manager; provided that the Alternative Reference Rate for the Refinancing Notes (and the Class D Notes, if the interest rate index for the Class D Notes is the Benchmark) will be no less than zero. If at any time while any Refinancing Notes (and the Class D Notes, if the interest rate index for the Class D Notes is the Benchmark) are Outstanding, a Benchmark Transition Event and the related Benchmark Replacement Date has occurred and the Collateral Manager is unable to determine an Alternative Reference Rate in accordance with the foregoing, the Collateral Manager shall direct (by notice to the

Issuer, the Trustee and the Calculation Agent) that the Alternative Reference Rate with respect to the Refinancing Notes (and the Class D Notes, if the interest rate index for the Class D Notes is the Benchmark) shall equal the Fallback Rate.

"Asset Replacement Percentage" On any date of calculation, a fraction (expressed as a percentage) where the numerator is the outstanding principal balance of the Assets that were indexed to the Benchmark Replacement for the Index Maturity as of such calculation date and the denominator is the outstanding principal balance of the Assets as of such calculation date.

"Benchmark" Initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Alternative Reference Rate.

"Benchmark Replacement" The first alternative set forth in the order below that can be determined by the Collateral Manager as of the Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) Compounded SOFR and (b) the applicable Benchmark Replacement Adjustment; and
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the Index Maturity and (b) the Benchmark Replacement Adjustment;

If a Benchmark Replacement is selected pursuant to clause (2) or (3) above, then on the first day the Collateral Manager determines that a redetermination of the Benchmark Replacement on such date would result in the selection of a Benchmark Replacement under clause (1) above, then (x) the Benchmark Replacement Adjustment shall be redetermined on such date utilizing the Unadjusted Benchmark Replacement corresponding to the Benchmark Replacement under clause (1) above and (y) such redetermined Benchmark Replacement shall become the Benchmark on each Determination Date on or after such date. If redetermination of the Benchmark Replacement on such date as described in the preceding sentence would not result in the selection of a Benchmark Replacement under clause (1), then the Benchmark shall remain the Benchmark Replacement as previously determined pursuant to clause (2) or (3) above.

"Benchmark Replacement Adjustment" The first alternative set forth in the order below that can be determined by the Collateral Manager as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; and
- (2) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Collateral Manager giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread

adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated collateralized loan obligation securitization transactions at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Alternative Reference Rate, any technical, administrative or operational changes (including changes to the definition of "Interest Accrual Period," timing and frequency of determining rates and making payments of interest, and other administrative matters) that the Collateral Manager decides may be appropriate to reflect the adoption of such Alternative Reference Rate in a manner substantially consistent with market practice (or, if the Collateral Manager decides that adoption of any portion of such market practice is not administratively feasible or if the Collateral Manager determines that no market practice for use of the Alternative Reference Rate exists, in such other manner as the Collateral Manager determines is reasonably necessary).

"Benchmark Replacement Date":

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark,

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information, or,

(3) in the case of clause (4) of the definition of "Benchmark Transition Event," the fifth Business Day following the date of such Monthly Report.

"Benchmark Transition Event" The occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative; or

(4) the Asset Replacement Percentage is greater than [50]%, as reported in the most recent Monthly Report.

"Compounded SOFR": The compounded average of SOFRs for the Index Maturity, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Collateral Manager in accordance with: (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that: (2) if, and to the extent that, the Collateral Manager determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Collateral Manager giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated collateralized loan obligation securitization transactions at such time.

"Fallback Rate": The sum of (1) the Reference Rate Modifier and (2) as determined by the Collateral Manager in its commercially reasonable discretion, either (x) the quarterly pay reference rate recognized or acknowledged as being the industry standard replacement rate for leveraged loans (which recognition may be in the form of a press release, a member announcement, member advice, letter, protocol, publication of standard terms or otherwise) by the Loan Syndications and Trading Association or the Relevant Governmental Body or (y) the quarterly pay reference rate that is used in calculating the interest rate of at least 50% of the Collateral Obligations (by par amount), as determined by the Collateral Manager as of the first day of the Interest Accrual Period during which such determination is made; provided, that if a Benchmark Replacement can be determined by the Collateral Manager at any time when the Fallback Rate is effective, then such Benchmark Replacement shall become the Benchmark; provided further that the Fallback Rate for the Refinancing Notes will be no less than zero.

"Federal Reserve Bank of New York's Website" means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

"Reference Rate Modifier": means a modifier, other than the Benchmark Replacement Adjustment, applied to a reference rate to the extent necessary to cause such rate to be comparable to the three-month LIBOR, which may include an addition to or subtraction from such unadjusted rate.

"Reference Time": With respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not LIBOR, the time determined by the Collateral Manager in accordance with the Benchmark Replacement Conforming Changes.

"Relevant Governmental Body": The Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for



such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Term SOFR": The forward-looking term rate for the Index Maturity based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Benchmark Replacement": The Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

(e) If 100% of the Outstanding Class D Notes and 100% of the Subordinated Notes have evidenced consent thereto, LIBOR with respect to the Class D Notes shall be replaced with the Benchmark, and the provisions of this Section 8.7 shall apply to the Class D Notes.

(f) In the discharge of its obligations with respect to the replacement of LIBOR with respect to the Refinancing Notes (and, if applicable, the Class D Notes), the Collateral Manager will not be liable for actions taken or omitted to be taken in good faith and without willful misconduct. The Co-Issuers, subject to the foregoing, will waive and release any and all claims, with respect to any action taken or omitted to be taken with respect to an Alternative Reference Rate, including, without limitation, determinations as to the occurrence of a Benchmark Replacement Date or a Benchmark Transition Event, the selection of an Alternative Reference Rate, a Benchmark Replacement Rate or a Fallback Rate, the determination of the applicable Benchmark Replacement Rate Adjustment, and the implementation of any Benchmark Replacement Conforming Changes.

13. The following new clause (a)(xxiv) shall be added to Section 10.7 of the Indenture as set forth below:

"(xxiv) The Asset Replacement Percentage."

## SECTION 2. Conditions Precedent.

The modifications to be effected pursuant to Section 2 above shall become effective as of the date first written above upon receipt by the Trustee of each of the following:

(a) an Officer's Certificate of each of the Co-Issuers (A) evidencing the authorization by Resolution of the execution and delivery of this Supplemental Indenture and the execution, authentication and delivery of the Class A-1-R Notes, the Class A-2-R Notes, the Class B-R Notes and the Class C-R Notes applied for by it and (B) certifying that (1) the attached copy of the Resolution is a true and complete copy thereof, (2) such Resolution has not been rescinded and is in full force and effect on and as of the First Refinancing Date and (3) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon;

(b) from each of the Co-Issuers either (A) a certificate of the Applicable Issuer or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an Opinion of Counsel of such Applicable Issuer that no other authorization, approval or consent of any governmental body is required for the valid issuance of the Refinancing Notes and the performance by the Applicable Issuer of its

obligations under the Indenture, or (B) an Opinion of Counsel that no such authorization, approval or consent of any governmental body is required for the valid issuance of such Refinancing Notes and the performance by the Applicable Issuer of its obligations under the Indenture except as has been given (provided that the opinions delivered pursuant to clause (c) below may satisfy the requirement);

(c) opinions of (A) Schulte Roth & Zabel LLP, special U.S. counsel to the Co-Issuers, (B) Nixon Peabody LLP, counsel to the Trustee and (C) Walkers, Cayman Islands counsel to the Issuer, in each case dated the First Refinancing Date, in form and substance satisfactory to the Trustee;

(d) an Officer's certificate of each of the Co-Issuers stating, to the best of the signing Officer's knowledge, the Applicable Issuer is not in default under the Indenture (as amended by this Supplemental Indenture) and that the issuance of the Refinancing Notes applied for by it shall not result in a default or a breach of any of the terms, conditions or provisions of, or constitute a default under, its organizational documents, any indenture or other agreement or instrument to which it is a party or by which it is bound, or any order of any court or administrative agency entered in any Proceeding to which it is a party or by which it may be bound, or any order of any court or administrative agency entered in any Proceeding to which it is a party or by which it may be bound or to which it may be subject; that all conditions precedent provided in the Indenture and this Supplemental Indenture relating to the authentication and delivery of the Refinancing Notes applied for by it have been complied with; that all expenses due or accrued with respect to the offering of the Refinancing Notes or relating to actions taken on or in connection with the First Refinancing Date have been paid or reserves therefor have been made as and to the extent provided for in the Indenture; and that all of its representations and warranties contained in the Indenture are true and correct as of the First Refinancing Date;

(e) a letter signed by Moody's confirming that the Class A-1-R Notes are rated "[Aaa (sf)]" by Moody's, the Class A-2-R Notes are rated "[Aa2 (sf)]" by Moody's, the Class B-R Notes are rated at least "[A2 (sf)]" by Moody's and the Class C-R Notes are rated at least "[Baa3 (sf)]" by Moody's;

(f) a letter signed by Fitch confirming that the Class A-1-R Notes are rated "[AAA (sf)]" and

(g) an Issuer Order by each Co-Issuer directing the Trustee to authenticate the Refinancing Notes in the amounts and names set forth therein and to apply the proceeds thereof to redeem the Refinanced Notes at the applicable Redemption Prices therefor on the Redemption Date.

### SECTION 3. Issuance and Authentication of Refinancing Notes; Cancellation of Refinanced Notes.

(a) The Co-Issuers hereby direct the Trustee to deposit in the Collection Account and transfer to the Payment Account the proceeds of the Refinancing Notes and any other available funds received on the First Refinancing Date in an amount necessary to pay the Redemption Prices of the Refinanced Notes and any Administrative Expenses related to the Refinancing, in each case, in accordance with Section 9.2 of the Indenture.

(b) The Refinancing Notes shall be issued as Rule 144A Global Notes and Regulation S Global Notes, as applicable, and shall be executed by the Applicable Issuers and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered to the Issuer by the Trustee upon Issuer Order.

(c) On the Redemption Date specified above, all Global Notes representing the Refinanced Notes shall be deemed to be surrendered for payment and shall be cancelled in accordance with Section 2.9 of the Indenture.

SECTION 4. Consent of the Holders of the Refinancing Notes.

Each Holder or beneficial owner of a Refinancing Note, by its acquisition thereof on the First Refinancing Date, shall be deemed to agree to the Indenture, as amended hereby, set forth in this Supplemental Indenture and the execution of the Co-Issuers and the Trustee hereof.

SECTION 5. Governing Law.

THIS SUPPLEMENTAL INDENTURE AND EACH NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO ITS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

SECTION 6. Execution in Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Supplemental Indenture by electronic means (including email or telecopy) will be effective as delivery of a manually executed counterpart of this Supplemental Indenture.

SECTION 7. Concerning the Trustee.

The recitals contained in this Supplemental Indenture shall be taken as the statements of the Co-Issuers, and the Trustee assumes no responsibility for their correctness. Except as provided in the Indenture, the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Supplemental Indenture and makes no representation with respect thereto. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct of or affecting the liability of or affording protection to the Trustee.

SECTION 8. Limited Recourse; Non-Petition.

The terms of Section 2.7(i) and Section 5.4(d) of the Indenture shall apply to this Supplemental Indenture *mutatis mutandis* as if fully set forth herein.

SECTION 9. No Other Changes.

Except as provided herein, the Indenture shall remain unchanged and in full force and effect, and each reference to the Indenture and words of similar import in the Indenture, as amended hereby, shall be a reference to the Indenture as amended hereby and as the same may be further amended, supplemented and otherwise modified and in effect from time to time.

SECTION 10. Execution, Delivery and Validity.

Each of the Co-Issuers represents and warrants to the Trustee that (i) this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms and (ii) the execution of this Supplemental Indenture is authorized or permitted under the Indenture and all conditions precedent thereto have been satisfied.

SECTION 11. Binding Effect.

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 12. Direction to the Trustee.

The Issuer hereby directs the Trustee to execute this Supplemental Indenture and acknowledges and agrees that the Trustee will be fully protected in relying upon the foregoing direction.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplemental Indenture as of the date first written above.

Executed as a Deed by:

CARLYLE GLOBAL MARKET STRATEGIES  
CLO 2016-3, LTD.,  
as Issuer

By: \_\_\_\_\_  
Name:  
Title:

CARLYLE GLOBAL MARKET STRATEGIES  
CLO 2016-3, LLC,  
as Co-Issuer

By: \_\_\_\_\_  
Name:  
Title:

STATE STREET BANK AND TRUST  
COMPANY,  
as Trustee

By: \_\_\_\_\_  
Name:  
Title:

AGREED AND CONSENTED TO:

CARLYLE CLO MANAGEMENT L.L.C.,  
as Collateral Manager

By: \_\_\_\_\_  
Name:  
Title: