Avoca CLO V plc

21 August 2015

Notice to the Noteholders of Meetings of Noteholders

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF THE HOLDERS OF EACH CLASS OF THE NOTES. IF ANY NOTEHOLDER IS IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IMMEDIATELY

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee

AVOCA CLO V PLC
Pinnacle 2
Eastpoint Business Park
Clontarf
Dublin 3
Ireland
(the **"Issuer"**)

€34,500,000 Class B Senior Secured Deferrable Floating Rate Notes due 2022
ISIN: XS0256536888
€23,500,000 Class C1 Senior Secured Deferrable Floating Rate Notes due 2022
ISIN: XS0256537423
€9,500,000 Class C2 Senior Secured Deferrable Fixed Rate Notes due 2022
ISIN: XS0256538157
€22,500,000 Class D Senior Secured Deferrable Floating Rate Notes due 2022
ISIN: XS0256538405
€17,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2022
ISIN: XS0256539122/ US05381CAH43
€10,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2022
ISIN: XS0256539635/ US05381CAJ09
€34,000,000 Class G Subordinated Notes due 2022
ISIN: XS0256541532/ US05381CAK71
€14,500,000 Class R Combination Notes due 2022
ISIN: XS0257922970
(together the **"Notes"**)

NOTICE IS HEREBY GIVEN that separate meetings convened by the Issuer (each a **"Meeting"** and together the "**Meetings**") of the Noteholders of each Class will be held at the offices of Ashurst LLP at Broadwalk House, 5 Appold Street, London EC2A 2HA on 15 September 2015 (which is at least 21 clear days after the date hereof) at 4:00 p.m. (in respect of the Class B Notes), 4:20 p.m. (in respect of the Class C1 Notes), 4:40 p.m. (in respect of the Class C2 Notes), 5:00 p.m. (in respect of the Class D Notes), 5:20 p.m. (in respect of the Class E Notes), 5:40 p.m. (in respect of the Class F Notes) and 6:00 p.m. (in respect of the Class G Subordinated Notes), or, in each case, as soon after the time stated above as the previous meeting of the holders of the relevant Class shall have been concluded or adjourned and, in each case, London time. The Meetings will be held for the purpose of considering and, if thought fit, passing the resolution set out in Annex 1 hereto, which will be proposed as an Extraordinary Resolution, in accordance with the provisions of Schedule 5 (*Provisions for Meetings of the Noteholders of each Class*) of the trust deed dated 23 June 2006 (the **"Trust Deed"**) made between, among others, the Issuer and

Deutsche Trustee Company Limited (the **"Trustee"**) and constituting the Notes. The Issuer confirms that, other than the Notes as listed above there are no other Classes of Notes Outstanding.

Capitalised terms used, but not defined, in this Notice shall have the meaning given thereto in or pursuant to the Trust Deed including the Conditions of the Notes set out therein.

BACKGROUND

Commencing on September 15, 2008 and periodically thereafter, Lehman Brothers Holdings Inc. ("**LBHI**") and certain of its subsidiaries (collectively, the "**Debtors**") commenced voluntary cases under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") before the United States Bankruptcy Court for the Southern District of New York (the "**Court**"), Case No. 08-13555 (SCC).

By order, dated 15 September 2011 [Docket No. 20019] (The "**Committee Standing Order**"), the Court authorised the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc., et al. (the "**Committee**") to, inter alia, prosecute and settle the claims on behalf of the Debtors. The Committee's authority to settle claims is governed by the Court's Order Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 9019 Authorising the Debtors to Implement Procedures for the Settlement of Avoidance Claims, dated 18 May 2011 [Docket No. 16940] (the "**Settlement Procedures Order**").

We refer to the facility agreement entered into between Gala Group Finance Limited ("**Gala**") as borrower and Lehman Commercial Paper Inc. (**"LCPI"**) as lender (the **"Gala Facility"**). During or prior to September 2008, the Issuer acquired a participation interest in the Gala Facility (the "**Gala Participation**"). In September 2008, the Issuer's rights under the Gala Participation were elevated from participant to lender of record under the Gala Facility (the **"Gala Elevation"**).

The Committee claims that the Issuer and LCPI entered into a Tolling and Forbearance Agreement (the **"Tolling Agreement"**), which had the effect of extending LCPI's time to commence an action against the Issuer asserting claims (the **"LCPI Claims"**) to, among other things, avoid the Gala Elevation as a preferential transfer.

On 6 December 2011, the Court entered an order confirming the *Modified Third Amended Joint Chapter 11 Plan for Lehman Brothers Holdings Inc., And Its Affiliated Debtors* (the **"Plan"**) and the Plan became effective on 6 March 2012. Pursuant to the terms of the Plan, following the effective date, the litigation and derivatives subcommittees of the Committee continue functioning for certain purposes, including the purpose of resolving pending litigation.

LCPI and the Committee assert, among other things, that through the Gala Elevation, the Issuer converted an asset of LCPI into an asset of the Issuer. In essence, LCPI and the Committee claim that, among other things, prior to the Gala Elevation, the Issuer was a creditor of LCPI with only a claim against LCPI for amounts due under the Gala Participation. LCPI and the Committee further claim, among other things, that the Gala Elevation occurred in violation of Section 547 of the Bankruptcy Code.

The Issuer vigorously disputes the validity and amount of the damages asserted in respect of the LCPI Claims. Additionally, the Issuer contends that if the Committee could successfully prosecute the LCPI Claims on behalf of the LCPI estate, the Issuer would be entitled to a claim against LCPI's estate pursuant to Section 502(h) of the Bankruptcy Code in the amount of any amount recovered from the Issuer in respect of the LCPI Claims (the **"502(h) Claim"**, collectively with the LCPI Claims, the **"Claims"**).

SETTLEMENT

Settlement negotiations have been ongoing over a period of time and have involved the exchange of information, the discussion of defences to the LCPI Claims, offers and counter-offers. The current settlement proposal as set out in a settlement agreement to be entered into by, amongst

others, LCPI and the Issuer (the **"Settlement Agreement"**) involves payment of USD 163,000.00 (the **"Settlement Amount"**) by the Issuer to LCPI to, among other things, resolve the LCPI Claims (the **"Settlement"**). Following the payment of the Settlement Amount, the Settlement Agreement provides that LCPI and the Issuer shall mutually release each other from, among other things, any and all claims arising from or relating to the LCPI Claims, the Gala Participation or the Gala Elevation and that LCPI shall have no further right to payment or relief from or against the Issuer relating to or in connection with the LCPI Claims.

LCPI has agreed to reduce the demand in connection with the Settlement as follows:

Firstly, the Settlement reflects a reduction in the total action value attributable to the Issuer by 89.8%, leaving a net action value of 10.2% of the sum originally being claimed or approximately USD 163,000.00. This is because the Settlement takes into account that, upon the return of the avoidable transfer to the LCPI estate, the Issuer would have a cross-claim against the estate of LCPI for such amounts as it was entitled to receive under the Gala Participation. In other words, the demand of LCPI is reduced by the estimated value of the cross-claim of the Issuer and in exchange, the Issuer agrees to waive receipt of the distribution on account of the cross-claim.

Secondly, negotiations with counsel to the Committee also involved the discussion of potential defences and litigation risks. Again, the demand of LCPI is reduced based upon an assessment of the likely additional costs of litigation and litigation risk.

In summary, the Settlement involves payment of USD 163,000.00 by the Issuer to LCPI compared to the initial claim value of an amount of USD 1,594,255 which represents approximately a discount of USD 1,431,255.

Such amount would resolve: (i) the LCPI Claims; and (ii) the cross-claim of the Issuer which would arise against the LCPI estate as a result of the return of the avoided transfer and that such amounts are netted out.

PROPOSED AMENDMENTS TO THE CONDITIONS OF THE NOTES

It is proposed that, to allow the Issuer to pay LCPI the Settlement Amount under the Settlement Agreement, Conditions 3(c)(i), 3(c)(ii) and 3(j)(ii) of the Notes be amended so that the Settlement Amount shall be paid in accordance with the Priorities of Payment (the **"Proposed Amendment"**), as set out in a deed of amendment, the form of which is set out in the Schedule hereto (the **"Amendment Deed"**).

PROPOSAL

The purpose of the Meetings is for the Noteholders of each Class to consider and, if thought fit, approve the following course of action (the **"Proposal"**):

- entry into the Settlement Agreement by the Issuer and the Trustee;
- approval of the Proposed Amendment, including authorisation and direction to the Trustee to concur and agree to the Proposed Amendment and to the Trustee, the Issuer, the Custodian and the Collateral Administrator to execute the Amendment Deed;
- payment of the Settlement Amount by the Issuer in accordance with the terms of the Settlement Agreement and the Amendment Deed;
- establishment by the Issuer of a reserve in an amount equal to EUR 100,000 to be held in the Interest Account to fund any indemnity claims received by the Issuer from the Trustee under the Settlement Agreement during a period of one year from the payment of the Settlement Amount and payment of such reserve (or any remainder thereof) to the Noteholders in accordance with the Priorities of Payment on the later of expiry of such one year period and the resolution of any such indemnity claims that may be asserted in the

respect of the Settlement Agreement in accordance with the terms of the Settlement Agreement and the Amendment Deed; and

- the payment of the fees (including VAT thereon) of Ashurst as legal adviser to the Investment Manager, Matheson as legal adviser to the Issuer, Allen & Overy LLP as legal adviser to the Trustee in relation to the LCPI Claims, the Settlement Agreement, the Proposal and its implementation and other expenses associated with holding the Meeting.

The Proposal will not be approved, and the Settlement Agreement will not be entered into, if any Class of Noteholders does not pass the Extraordinary Resolution.

If the Proposal is not approved by an Extraordinary Resolution of the Noteholders of each Class and the Settlement Agreement is not entered into, it is uncertain what the consequences of this will be, though these may include litigation by LCPI against the Issuer in respect of the LCPI Claims.

If the Proposal is approved and the Settlement Agreement is entered into but the Settlement Amount is not paid by 28 February 2016, LCPI and the Committee have the right to terminate the Settlement Agreement upon 30 days' written notice to the Issuer. Upon such termination the provisions of the Settlement Agreement shall have no further force or effect. The consequences of such termination may include, as above, litigation by LCPI against the Issuer in respect of the LCPI Claims.

The cost and any award of damages in any litigation may exceed the Settlement Amount and may result in a reduction of interest and principal proceeds available for distribution to Noteholders in accordance with the Priorities of Payment. In addition, litigation may result in a significant delay in the payment of distributions.

FORM OF THE EXTRAORDINARY RESOLUTION

The resolution that will be put to the Noteholders of each Class at the relevant Meeting in order to pass the Proposal is set out in Annex 1 hereto. The Proposal is set out in a single Extraordinary Resolution and the same Extraordinary Resolution will be put to each Class of Noteholders.

DOCUMENTATION

Copies of the Trust Deed (including the Conditions of the Notes), the Settlement Agreement and the Amendment Deed (in each case, referred to in the Extraordinary Resolution set out in Annex 1 hereto) will be available for inspection by the Noteholders during normal business hours at the specified office of the Transfer Agent set out below. Contact details of the Investment Manager are also set out below.

The Trustee has not been involved in the formulation or negotiation of the Settlement, the Settlement Amount or Proposal (as defined herein) and, in accordance with normal practice, the Trustee expresses no opinion on the merits of the Proposal (or any of them) (which it was not involved in negotiating) or the Extraordinary Resolution (as set out herein) (or any of them) and no opinion on whether the Noteholders of any Class would be acting in their best interests voting for or against the Proposals or the Extraordinary Resolution (or any of them) but on the basis of the information contained in this Notice has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to the Noteholders of each Class for their consideration. The Trustee makes no representation that all relevant information has been disclosed to the Noteholders in connection with the Proposal in this Notice or otherwise. The Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made in this Notice or omissions therefrom. Nothing in this Notice should be construed as a recommendation to the Noteholders of any Class from the Trustee to vote in favour of, or against, any of the Proposal or the Extraordinary Resolution. The Trustee recommends that the Noteholders take their own independent professional advice on the merits and the consequences of voting in favour of, or against, each of the Extraordinary Resolution and the Proposal.

No person has been authorised to make any recommendation on behalf of the Issuer, the Trustee or the Principal Paying Agent as to whether or how the Noteholders of any Class should vote pursuant to the Proposal. No person has been authorised to give any information, or to make any representation in connection therewith, other than those contained herein. If made or given, such recommendation or any such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee or the Principal Paying Agent.

This Notice is issued and directed only to the Noteholders and no other person shall, or is entitled to, rely or act on, or be able to rely or act on, its contents.

Each person receiving this Notice must make its own analysis and investigation regarding each Proposal and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If such person is in any doubt about any aspect of the Proposal and/or the action it should take in respect of it, it should consult its professional advisers.

QUORUM AND VOTING

The provisions governing the convening and holding of the Meetings are set out in Schedule 5 to the Trust Deed (*Provisions for Meetings of Noteholders of each Class*).

Quorum and voting for the holders of the Combination Notes

Holders of the Combination Notes shall vote with the relevant Class of each Component of their Combination Notes, in proportion to the size of their Component thereof.

For the purposes of calculating the quorum and the percentage of the aggregate Principal Amount Outstanding of the Notes voting in favour thereof, (a) references to the Class C2 Senior Secured Deferrable Fixed Rate Notes and the Class E Senior Secured Deferrable Floating Rate Notes shall be deemed to include the principal amount of the Class C2 Component and the Class E Component of the relevant class of Combination Notes, and (b) references to votes to be given by the holders of the Class C2 Senior Secured Deferrable Fixed Rate Notes and the Class E Senior Secured Deferrable Floating Rate Notes shall be deemed to include references to a proportional amount of such votes that are related to the Class C2 Component and the Class E Component of the relevant class of Combination Notes.

Quorum

The quorum required at a meeting called to pass the Extraordinary Resolution is two or more persons holding or representing not less than 50% of the aggregate original principal amount of the relevant Class.

If a quorum is not present at any meeting within 15 minutes from the time initially fixed for that Meeting, the relevant Meeting shall be adjourned until such date, not less than 14 nor more than 42 days later, at such place as the chairman of such meeting, appointed in accordance with the Trust Deed (the "**Chairperson**") determines (with the approval of the Trustee). At least 10 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be resumed) shall be given of the resumption of a meeting adjourned for want of a quorum. Such notice shall state the quorum required at the adjourned meeting. The quorum required at any such adjourned meeting will be two or more persons holding or representing any Notes of the relevant Class regardless of the aggregate original principal amount of the Notes so held or represented.

The holder of a Global Note shall be treated as two persons for the purpose of any quorum requirements of a meeting of Noteholders.

Voting certificates and block voting instructions

Noteholders wishing to attend and vote at the relevant Meeting or wishing to include the votes attributable to their Notes, as applicable, in a block voting instruction and to appoint a proxy who attends and votes at the relevant Meeting on their behalf may:

(a) in the case of Noteholders wishing to attend and vote at the relevant Meeting, obtain a voting certificate from the Transfer Agent by depositing the Notes for that purpose at least 48 hours before the time fixed for the relevant Meeting with the Transfer Agent or to the order of the Transfer Agent with a bank or other depository nominated by the Transfer Agent for the purpose. The Transfer Agent will issue a voting certificate in respect of such Notes so blocked. The bearer of a voting certificate shall be entitled to attend and vote at the relevant Meeting; or

(b) in the case of Noteholders wishing to include the votes attributable to their Notes in a block voting instruction and to appoint a Proxy who will attend and vote at the relevant Meeting on their behalf, at least 48 hours before the time fixed for the relevant Meeting:

(i) deposit the Notes for that purpose with the Transfer Agent or to the order of the Transfer Agent in an account with a bank or other depository nominated by the Transfer Agent for the purpose or blocked in an account with a clearing system; and

(ii) either themselves or through a duly authorised person on their behalf, direct the Transfer Agent how the votes attributable to such Notes are to be cast.

Each block voting instruction shall be deposited at least 24 hours before the time fixed for the relevant Meeting at the specified office of the Registrar (or such other place as may have been specified by the Issuer for that purpose) and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. A notarially certified copy of each block voting instruction shall if required by the Trustee be produced by the proxy at the meeting but the Trustee need not investigate or be concerned with the validity of the proxy's appointment.

Once the Transfer Agent has issued a voting certificate for a Meeting in respect of any Notes, it will not release such Notes until either:

(a) the relevant Meeting has been concluded; or

(b) such voting certificate has been surrendered to the Transfer Agent.

Once the Transfer Agent has issued block voting instructions in respect of the votes attributable to any Notes in relation to a Meeting:

(a) except as provided in the paragraph below, it shall not release such Notes until the relevant Meeting has been concluded; and

(b) the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the relevant Meeting.

Any vote cast in accordance with a block voting instruction or a voting certificate shall be valid even if it or any of the Noteholders' instructions pursuant to which it was executed has previously been amended or revoked, unless written intimation of such revocation or amendment is received by the Transfer at its registered office at least 24 hours before the time fixed for the relevant Meeting.

In relation to the times and dates indicated above, Noteholders should note the particular practices and policies of the relevant bank or other depository nominated by the Transfer Agent regarding their communications deadlines, which will determine the latest time at which instructions and revocations of such instructions may be delivered to the relevant bank or other depository (which may be earlier than the deadlines set out herein) so that they are received by the Transfer Agent within the deadlines set out herein.

The Notes are represented by a Registered note, registered in the name of BT Globenet Nominees Limited as nominee for Deutsche Bank AG, London Branch acting as common depositary (the "**Common Depositary'**) for Clearstream Banking, societe anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.A. ("**Euroclear**") and their respective participants.

For the purposes of the Meeting, a **Direct Participant** shall mean each person who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular principal amount of the Notes.

Only a Direct Participant may attend and vote at the relevant Meeting or appoint a proxy to attend and vote at the relevant Meeting.

If a beneficial owner is not a Direct Participant and wishes to attend and vote at the relevant Meeting, it should arrange for the Direct Participant through which it holds Notes to make arrangements for the issue of a voting certificate in respect of those Notes for the purpose of attending and voting at the relevant Meeting in person. Such beneficial owner must make such arrangements in accordance with the times and dates indicated above.

If a beneficial owner is not a Direct Participant and wishes to vote but does not wish to attend the relevant Meeting, it should arrange for the Direct Participant through which it holds Notes to make arrangements to include the votes attributable to their Notes in a block voting instruction and to appoint a Proxy to attend and vote at the relevant Meeting on their behalf. Such beneficial owner must make such arrangements in accordance with the times and dates indicated above.

Noteholders are advised to check with the Custodian or Direct Participant through which they hold Notes if such entity would require to receive instructions to participate before the deadlines specified in this Notice. The deadlines set by each Clearing System for submission and revocation may also be earlier than the relevant deadlines specified in this Notice.

Noteholders should also note that in accordance with the rules of operation of the Clearing Systems, Direct Participants will only be entitled to instruct in respect of each minimum denomination of Note being €100,000 and integral multiples of €1,000 in excess thereof.

Voting

Every question submitted to a Meeting will be decided on a show of hands, unless a poll is demanded (before, or on the declaration of the result of, the show of hands) by the Chairperson of the relevant Meeting or by the Issuer, the Trustee or by one or more voters holding or representing two per cent. of the aggregate original principal amount of the Notes for the time Outstanding.

On a show of hands, each Voter shall have one vote.

On a poll, every person who is present in person and who produces a Note or a voting Global Note or is a proxy shall have one vote for each €1,000 in principal amount of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. The holder of a Global Note shall be treated as having one vote for each €1,000 original principal amount of Notes represented by such Global Note. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

Unless a poll is demanded, a declaration by the Chairperson that the Extraordinary Resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

If a poll is demanded, it shall be taken in such manner as the Chairperson directs. The result of the poll shall be deemed to be the resolution of the relevant Meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the relevant Meeting continuing for the transaction of business other than the question on which it has been demanded.

In case of equality of votes, the Chairperson shall, both on a show of hands and on a poll, have a casting vote in addition to any other votes which he or she may have.

To be passed at a Meeting, an Extraordinary Resolution requires a majority of at least 66 2/3 per cent. of the votes cast.

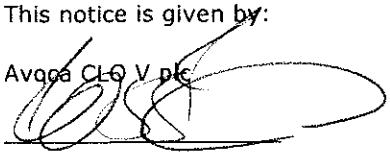
The passing of the Extraordinary Resolution will be conclusive evidence that the circumstances justify its being passed.

If the Extraordinary Resolution is passed at a Meeting, the Issuer will give notice of such passing to the Transfer Agent (with a copy to the Trustee) within 14 days of conclusion of the relevant Meeting. Failure by the Issuer to give such notice will not invalidate the Extraordinary Resolution. However, as provided in the following paragraph, the Proposal will not take effect unless the Extraordinary Resolution is passed by each Class of Noteholders.

Subject to the Extraordinary Resolution being passed by the Noteholders of each Class by a majority of at least 66 2/3 per cent. of the votes cast at each Meeting and all relevant documents being executed, the Proposal will become effective and the Noteholders will be notified thereof by the Issuer in accordance with the Conditions.

This notice is given by:

Avoca CLO V plc



Dated 21 August 2015

Contact details:

Transfer Agent

Deutsche Bank Trust Company Americas

1761 East St. Andrew Place

Santa Ana, California 92705

United States of America

Attention: Eva Wong

Email: eva.wong@db.com

Telephone: (+1) 714 247 6263

Contact details:

Investment Manager

KKR Credit Advisors (Ireland)

75 St. Stephen's Green

Dublin 2

Attention: Padraig O'Connell

Email: padraig.oconnell@kkr.com

Telephone: (+353) 1 479 3108

Contact details:

Principal Paying Agent

Deutsche Bank AG London

Winchester House

1 Great Winchester Street

London EC2N 2DB

Attn: Issuer Services - Debt & Agency Services

email: xchange.offer@db.com

Tel. +44 (0) 20 7547 5000

Fax. +44 (0) 20 7547 6149/5001

ANNEX 1

FORM OF EXTRAORDINARY RESOLUTION

"THAT this meeting of the holders of the [€34,500,000 Class B Senior Secured Deferrable Floating Rate Notes due 2022] /[€23,500,000 Class C1 Senior Secured Deferrable Floating Rate Notes due 2022] /[€9,500,000 Class C2 Senior Secured Deferrable Fixed Rate Notes due 2022] /[€22,500,000 Class D Senior Secured Deferrable Floating Rate Notes due 2022] / [€17,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2022] /[€10,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2022] /[€34,000,000 Class G Subordinated Notes due 2022] of Avoca CLO V plc currently Outstanding (the **"Noteholders"**, the **"Notes"** and the **"Issuer"** respectively) constituted by the trust deed dated 23 June 2006 (the **"Trust Deed"**) made between, among others, the Issuer and Deutsche Trustee Company Limited (the **"Trustee"**) as trustee for the Noteholders (the **"Noteholders"**) hereby resolves by way of Extraordinary Resolution to:

1. (a) assent to the amendment to Conditions 3(c)(i) and 3(c)(ii) of the Notes so that the Settlement Amount shall be paid subject to and in accordance with the Priorities of Payment in accordance with the terms of the deed of amendment, the form of which is available for inspection by the Noteholders at the meeting (the "**Amendment Deed**"); (b) assent to the entry into the Settlement Agreement, the form of which is available for inspection by the Noteholders at the meeting, and the Amendment Deed by, *inter alios*, the Issuer, the Collateral Administrator and the Trustee; (c) assent to the payment of the Settlement Amount by the Issuer in accordance with the terms of the Settlement Agreement; (d) assent to the amendment to Condition 3(j)(ii) of the Notes so that the establishment of a reserve in an amount equal to EUR 100,000 to be held in the Interest Account to fund any indemnity claims received by the Issuer from the Trustee during a period of one year from the payment of the Settlement Amount and for the payment of such reserve (or any remainder thereof) to the Noteholders in accordance with the Priorities of Payment on the later of the expiry of such one year period and the date of the resolution of any such indemnity claims that may be asserted in respect of the Settlement Agreement in accordance with the terms of the Settlement Agreement and the Amendment Deed; and (e) assent to the payment of the fees and expenses (including VAT thereon) of Ashurst as legal adviser to the Investment Manager, Matheson as legal adviser to the Issuer and Allen & Overy LLP as legal adviser to the Trustee in relation to the LCPI Claims, the Settlement, the Proposal and its implementation and other expenses associated with holding the Meeting (together the "**Proposal**");

2. sanction every abrogation, modification, variation, compromise or arrangement in respect of the rights of the Noteholders appertaining to the Notes, whether or not such rights arise under the Trust Deed, involved in or resulting from or effected by the Proposal and its implementation;

3. authorise, direct, request and empower the Trustee, the Issuer and the Collateral Administrator to concur in the Proposal and, in order to give effect thereto and to implement the same, to execute the Settlement Agreement and the Amendment Deed (the Amendment Deed which shall be in the form of the draft Amendment Deed produced to this Meeting and for the purpose of identification signed by the Chairperson thereof with such amendments (if any) thereto as the Trustee shall require or approve) and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;

4. discharge and exonerate the Trustee, the Issuer, the Custodian and the Collateral Administrator from all and any Liability for which they may have become or may become responsible under the Trust Deed or the Notes in respect of any act or omission in connection with the Proposal, its implementation or this Extraordinary Resolution and its implementation;

5. acknowledge that capitalised terms used in this Extraordinary Resolution have the same meanings as those defined in the Notice of Meeting and/ or the Trust Deed (including the Conditions of the Notes), unless otherwise defined herein or unless the context otherwise requires; and

6. acknowledges that the Proposal will not become effective unless and until the Extraordinary Resolution is passed by each other Class of Noteholders."

SCHEDULE 1

Form of Amendment Deed

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Deed of Amendment

Avoca CLO V plc
as Issuer

and

Deutsche Trustee Company Limited
as Trustee

and

Deutsche Bank AG, London Branch

as Principal Paying Agent, Calculation Agent, Account Bank, Custodian and Collateral Administrator

and

Deutsche Bank Trust Company Americas

as Registrar and Transfer Agent

and

KKR Credit Advisors (Ireland)

as Investment Manager

and

Deutsche International Corporate Services (Ireland) Limited

as Irish Transfer and Paying Agent

……2015

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THIS DEED OF AMENDMENT (this **"Deed"**) is made on 2015

BETWEEN:

(1) **AVOCA CLO V plc**, a public company with limited liability incorporated under the laws of Ireland and having its registered office at Pinnacle 2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland (the **"Issuer"**);

(2) **DEUTSCHE TRUSTEE COMPANY LIMITED** of Winchester House, 1 Great Winchester Street, London EC2N 2DB, in its capacity as trustee (the "**Trustee**");

(3) **DEUTSCHE BANK AG, LONDON BRANCH** of Winchester House, 1 Great Winchester Street, London EC2N 2DB, as the Principal Paying Agent, Calculation Agent, Account Bank, Custodian and Collateral Administrator (each such capitalised term as defined in the Conditions);

(4) **DEUTSCHE BANK TRUST COMPANY AMERICAS** of 1761 East St. Andrew Place, Santa Ana, California 92705, as Registrar and Transfer Agent (each such capitalised term as defined in the Conditions);

(5) **KKR CREDIT ADVISORS (IRELAND) (FORMERLY AVOCA CAPITAL HOLDINGS)** of 75 St. Stephen's Green, Dublin 2, Ireland as Investment Manager (the **"Investment Manager"**); and

(6) **DEUTSCHE INTERNATIONAL CORPORATE SERVICES (IRELAND) LIMITED** of Pinnacle 2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland as the Irish Paying Agent (as defined in the Conditions).

WHEREAS

(A). The Issuer and the Trustee hereto entered into a trust deed dated 23 June 2006 (the "**Trust Deed**") relating to the creation and issue of €237,000,000 Class A1A Senior Secured Floating Rate Notes due 2022 (the **"Class A1A Notes"**), 66,000,000 Class A1B Senior Secured Floating Rate Notes due 2022 (the **"Class A1B Notes"**), €46,500,000 Class A2 Senior Secured Floating Rate Notes due 2022 (the **"Class A2 Notes"**), €34,500,000 Class B Senior Secured Deferrable Floating Rate Notes due 2022 (the **"Class B Notes"**), €23,500,000 Class C1 Senior Secured Deferrable Floating Rate Notes due 2022 (the **"Class C1 Notes"**), €9,500,000 Class C2 Senior Secured Deferrable Fixed Rate Notes due 2022 (the **"Class C2 Notes"**), €22,500,000 Class D Senior Secured Deferrable Floating Rate Notes due 2022 (the **"Class D Notes"**), €22,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2022 (the **"Class E Notes"**), €10,000,000 Class F Senior Secured Deferrable Floating Rate Notes due 2022 (the **"Class F Notes"** and together with the Class A1B Notes, the Class A2 Notes, the Class B Notes, the Class C1 Notes, the Class C2 Notes, the Class D Notes and the Class E Notes, the **"Senior Notes"**) and €34,000,000 Class G Subordinated Notes due 2022 (the **"Class G Subordinated Notes"**) and together with the Senior Notes, the **"Notes"**) €10,000,000 Class Q Combination Notes due 2022 (the **"Class Q Combination Notes"**), €14,500,000 Class R Combination Notes due 2022 (the **"Class R Combination Notes**") and €12,750,000 Class S Combination Notes (the **"Class S Combination Notes"** and together with the Class Q Combination Notes and the Class R Combination Notes, the **"Combination Notes"** and the Combination Notes together with the Senior Notes, the **"Rated Notes"** and the Rated Notes together with the Class G Subordinated Notes, the **"Notes"**).

(B) We refer to the facility agreement entered into between Gala Group Finance Limited ("**Gala**") as borrower and Lehman Commercial Paper Inc. as lender (the "**Gala Facility**"). During or prior to September 2008, the Issuer acquired a participation interest in the Gala

Facility (the **"Gala Participation"**) In September 2008 the Issuer's rights under the Gala Participation were elevated from participant to lender of record under the Gala Facility (the "**Gala Elevation**").

(C) On September 23, 2010, the Issuer and LCPI entered into a Tolling and Forbearance Agreement (a "**Tolling Agreement**"), which had the effect of extending LCPI's time to, among other things, commence an action against the Issuer asserting claims (the "**LCPI Claims**") to avoid the Gala Elevation as a preferential transfer. After good-faith, arms' length negotiations, LCPI and the Issuer have agreed to resolve the LCPI Claims pursuant to the terms and conditions set forth in the Settlement Agreement whereby the Issuer agrees to make a payment to LCPI of the Settlement Amount.

(D) In accordance with an Extraordinary Resolution of the Noteholders of each Class duly passed on [●] 2015 (the "**Resolution**"), the parties hereto wish to amend the Conditions of the Notes on the terms set out in this Deed to allow the Settlement Amount to paid subject to and in accordance with the Priorities of Payment in accordance with Conditions 3(c)(i) and 3(c)(ii) of the Notes (as amended herein).

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. **INTERPRETATION**

Capitalised terms used in this Deed but not otherwise defined herein shall have the same meanings as set out in the Trust Deed.

2. **AMENDMENTS TO THE CONDITIONS**

The parties hereto hereby agree that on and with effect from the date hereof, the Conditions shall be amended as follows:

2.1 Condition 1 (*Definitions and Interpretation*) shall be amended as follows:

(a) The following definition shall be added after the definition of "Aggregate Principal Balance":

"Amendment Deed" means the amendment deed dated [●] 2015 between, *inter alios*, the Issuer and the Trustee;

(b) The following definition shall be added after the definition of "Noteholders":

"**Noteholder Resolution"** means the Extraordinary Resolution of the Noteholders of each Class duly passed on [●] 2015 at a meeting of the Noteholders of such Class, pursuant to which the Noteholders of each Class approved the amendment to the Conditions of the Notes to allow the Settlement Amount to paid subject to and in accordance with the Priorities of Payment in accordance with Condition 3(c)(i) and 3(c)(ii) of the Notes (as amended);

(c) The following definitions shall be added after the definition of "Senior Notes":

"Settlement Agreement" means the settlement agreement dated [●] between, *inter alia*, the Issuer, the Trustee and Lehman Commercial Paper Inc.;

"Settlement Amount" means a payment by the Issuer to Lehman Commercial Paper Inc. of an amount in cash equal to One Hundred and Sixty Three Thousand Dollars (USD 163,000.00) subject to and in accordance with the provisions of the Settlement Agreement;

(d) The following definition shall be added after the definition of "Substitute Collateral Debt Obligation":

"**Support Letter**" means the support letter dated [●] between, inter alia, the Issuer, the Trustee and Lehman Commercial Paper Inc.;

2.2 Condition 3(c)(i) (*Application of Interest Proceeds*) shall be deleted in its entirety and replaced with the following:

(i) **Application of Interest Proceeds**

(A) to the payment of taxes owing by the Issuer accrued in respect of the related Due Period, if any, as certified by an Authorised Officer of the Issuer to the Trustee (save for any value added tax payable in respect of any Investment Management Fee); and

(B) to the payment of any unpaid Financed Amount then due and payable, provided that such amount paid on any Payment Date may not exceed the Financed Amount Threshold for such Payment Date plus any Financed Amount Interest payable in respect of such Payment Date;

(C) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of any Due Period, provided that the Senior Expenses Cap shall not apply to this paragraph at any time following the taking of any Enforcement Action by the Trustee;

(D) to the payment of Administrative Expenses (firstly, to Administrative Expenses referred to in paragraph (a) of the definition thereof and secondly, to Administrative Expenses referred to in paragraphs (b) through (j) of the definition thereof on a *pro rata* basis) in relation to each item thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) the aggregate amount of Administrative Expenses paid out of the Interest Account for the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise and the Principal Account for the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise and (ii) any amounts paid pursuant to paragraph (C) above;

(E) to the payment on a *pro rata* basis to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any value added tax in respect thereof up to an amount in aggregate of such fee and value added tax equal to the Senior Investment Management Fee Cap and, thereafter, to the payment of any Senior Investment Management Fee and to the payment of any value added tax in respect thereof in each case, due and payable but not paid pursuant to this paragraph (E) on any prior Payment Date (otherwise than by reason of the limitation of the amount payable pursuant to the Senior Investment Management Fee Cap);

(F) to the payment on a *pro rata* basis of (i) any Scheduled Periodic Asset Swap Issuer Payments due and payable under any Asset Swap Transaction (to the extent not paid from funds available in the account applicable to the related Asset Swap Transaction within the Non-Euro Account) and (ii) any Scheduled Periodic Interest Rate Hedge Issuer Payments due and payable to any Interest Rate Hedge Counterparty;

(G) to the payment, on a *pro rata* basis, of (i) any Asset Swap Issuer Termination Payments due and payable to any Asset Swap Counterparty to the extent not paid from funds available in the Hedge Termination Account, save for any Defaulted Asset Swap Termination Payments and (ii) any Interest Rate Hedge Issuer Termination Payments due and payable to any Interest Rate Hedge Counterparty, to the extent not paid from funds available in the Hedge Termination Account, save for any Defaulted Interest Rate Hedge Termination Payments;

(H) to the payment on a *pro rata* basis of (i) all Interest Amounts due and payable on the Class A1A Notes and the Class A2 Notes (such amount to be applied first to the payment of Interest Amounts due and payable on the Class A1A

Notes and then to the payment of Interest Amounts due and payable on the Class A2 Notes) and (ii) all Interest Amounts due and payable on the Class A1B Notes in respect of the Accrual Period ending on such Payment Date and thereafter any Interest Amounts previously due and payable on the Class A Notes but unpaid, together with any default interest payable thereon pursuant to the Trust Deed;

(I) to the payment on a *pro rata* basis of any amounts due and payable by the Issuer to (i) any Asset Swap Counterparty on or prior to such Payment Date in connection with the entry into a Replacement Asset Swap Agreement and (ii) to any Interest Rate Hedge Counterparty on or prior to such Payment Date in connection with the entry into a Replacement Interest Rate Hedge Agreement, in either case, to the extent that such amounts exceed amounts received by the Issuer upon termination of the Interest Rate Hedge Agreement or an Asset Swap Agreement being replaced;

(J) in the event that the Class A Par Value Test is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class A Par Value Test to be met if recalculated following such payment;

(K) only on the Payment Date falling on 3 February 2016 to the payment of:

(i) firstly, the Settlement Amount due under the Settlement Agreement to Lehman Commercial Paper Inc.;

(ii) secondly, on a *pro-rata* and *pari-passu* basis, the legal fees and expenses (including VAT thereon) of (i) Ashurst LLP as legal adviser to the Investment Manager, (ii) Matheson Ormsby Prentice as legal adviser to the Issuer and (iii) Allen and Overy LLP as legal adviser to the Trustee, in each case payable in relation to the Settlement Agreement, the Proposal and its implementation and other expenses associated with holding the Noteholder Meeting; and

(iii) thirdly, an amount equal to EUR 100,000 as a deferred payment of interest to the Noteholders to the Interest Account to be applied in accordance with Condition 3(j)(ii)(5);

(L) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and thereafter to the payment on a *pro rata* basis of any Deferred Interest on the Class B Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(M) in the event that either of the Class B Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class B Coverage Tests to be met if recalculated following such payment;

(N) 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 and thereafter 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*);

(O) in the event that either of the Class C Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class C Coverage Tests to be met if recalculated following such payment;

(P) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class D Notes in respect of the Accrual Period ending on such Payment Date and thereafter 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*);

(Q) in the event that either of the Class D Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class D Coverage Tests to be met if recalculated following such payment;

(R) 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 and thereafter 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*);

(S) in the event that either of the Class E Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class E Coverage Tests to be met if recalculated following such payment;

(T) to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date and thereafter to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) in the event that either of the Class F Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Coverage Tests to be met if recalculated following such payment;

(V) on any Payment Date following the Effective Date, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Notes in accordance with the Note Payment Sequence or, if earlier, until the Rating Agencies confirm or affirm the Initial Ratings of the Notes;

(W) during the Reinvestment Period, in the event that the Reinvestment Diversion Test is not satisfied Interest Proceeds shall be applied either (at the discretion of the Investment Manager (acting on behalf of the Issuer)), (i) to the payment into the Principal Account for the acquisition of additional Collateral Debt Obligations or (ii) to payment in accordance with the Note Payment Sequence, in either case in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which would be sufficient to cause the Reinvestment Diversion Test to be met if recalculated following such payment;

(X) on any Payment Date following redemption of the Class Q Combination Notes, the Class R Combination Notes and the Class S Combination Notes such that the Principal Amount Outstanding thereof is reduced to €1, to the payment on a *pro rata* basis of any (i) Defaulted Asset Swap Termination Payments due to any Asset Swap Counterparty and (ii) Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty, in either case, to the extent not paid from funds available in the Hedge Termination Account;

(Y) to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap;

(Z) to the payment of Administrative Expenses, if any, (firstly, to Administrative Expenses referred to in paragraph (a) of the definition thereof and secondly, to Administrative Expenses referred to in paragraphs (b) through (j) of the definition thereof on a *pro rata* basis) not paid by reason of the Senior Expenses Cap, in relation to each item thereof;

(AA) to the payment on a *pro rata* basis to the Investment Manager of any unpaid Senior Investment Management Fee not paid pursuant to paragraph (E) above on any prior Payment Dates (by reason of the limitation of the amount

payable by reference to the Senior Investment Management Fee Cap) and any value added tax in respect thereof;

(BB) to the payment on a *pro rata* basis to the Investment Manager of the Subordinated Investment Management Fee due on such Payment Date and any value added tax in respect thereof and, thereafter, to the payment on a *pro rata* basis of any unpaid Subordinated Investment Management Fee and any value added tax in respect thereof;

(CC) at the discretion of the Investment Manager (acting on behalf of the Issuer) to payment into the Collateral Enhancement Account up to a maximum aggregate amount (taking into account all payments into the Collateral Enhancement Account pursuant to the Interest Proceeds Priority of Payments and/or out of the Interest Account on any prior Payment Date) of €125,000;

(DD) to the extent not paid out of Collateral Enhancement Obligation Proceeds pursuant to Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*) or the Balance standing to the credit of the Collateral Enhancement Account, and provided there is no Balance standing to the credit of the Collateral Enhancement Account, to the repayment of any Investment Manager Advances;

(EE) until the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date), to the payment of interest on the Class G Subordinated Notes on a *pro rata* basis by reference to that proportion immediately prior to such redemption provided, however, that prior to the end of the Reinvestment Period, the Investment Manager will have the option (but not the obligation) to divert a portion of this interest distribution into the Principal Account in an amount up to but not exceeding one half of the excess (if any) of the aggregate amount available to be distributed over 6 per cent. of the aggregate principal amount of the Class G Subordinated Notes as at the Issue Date. Any diversion will be entirely at the option of the Investment Manager, including the amount of such diversion, subject to such limit as aforesaid;

(FF) after the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date):

(i) 20 per cent. of any remaining Interest Proceeds, to the payment on a *pro rata* basis to the Investment Manager as an Incentive Investment Management Fee and to the payment of any value added tax in respect thereof; and

(ii) 80 per cent. of any remaining Interest Proceeds to the payment of interest on the Class G Subordinated Notes on a *pro rata* basis.

2.3 Condition 3(c)(ii) (*Application of Principal Proceeds*) shall be deleted in its entirety and replaced with the following:

(ii) **Application of Principal Proceeds**

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) then paragraphs (J), (K), (M), (O), (Q), (S), (U) and (V) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to payment in accordance with the Note Payment Sequence (1) in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date if it is a Special Redemption Date or (2) in an amount equal to all remaining Principal Proceeds in the event of any redemption of the Notes

pursuant to Condition 7(b) (*Redemption at the Option of the Class G Subordinated Noteholders*);

(C) (1) during the Reinvestment Period, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date;

(2) after the Reinvestment Period, all Principal Proceeds (other than those permitted to be and actually designated for reinvestment in accordance with the Investment Management Agreement), in redemption of the Notes in accordance with the Note Payment Sequence;

(D) to the payment on a sequential basis of the amounts referred to in paragraphs (I) and (X) through (CC) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(E) until the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date), to the payment of principal on the Class G Subordinated Notes on a *pro rata* basis;

(F) after the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date):

(i) 20 per cent. of any remaining Principal Proceeds, to the payment on a *pro rata* basis to the Investment Manager as an Incentive Investment Management Fee and to the payment of any value added tax in respect thereof ; and

(ii) 80 per cent. of any remaining Principal Proceeds to the payment of principal on the Class G Subordinated Notes on a *pro rata* basis.

2.4 Condition 3(j)(ii) (*Interest Account*) shall be amended by:

(a) the insertion of the following sub-paragraph immediately underneath sub-paragraph (H):

"(I) an amount equal to EUR 100,000 payable into the Interest Account on [[●] 2015] pursuant to the Priorities of Payment as a deferred payment of interest to the Noteholders (the "**Reserve Amount**") to be applied solely in accordance with sub-paragraph (5) below."

(b) The deletion of sub-paragraph (1) and its replacement with the following:

"(1) on the second Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account (save with respect to the Reserve Amount which shall only be transferred in accordance with sub-paragraph (5) below) shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments, save for amounts deposited after the end of the related Due Period and, on any Payment Date, other than a Payment Date on which all of the Notes are to be redeemed in full;"

(c) the insertion of the following sub-paragraph immediately underneath sub-paragraph (4):

"(5) the Reserve Amount paid into the Interest Account in accordance with sub-paragraph (L) above to be paid as follows: (1) if at any time prior to [[●] 2016] (the "**Long-Stop Date**") the Trustee makes a claim for

indemnification in accordance with clause 15.6 of the Trust Deed for any Liability incurred in connection with its entry into of the Support Letter and/ or Settlement Agreement and/or the Amendment Deed and/or and any act taken to implement or enforce the Resolution, the Support Letter and/or the Settlement Agreement; an amount equal to the amount of such claim (subject to a maximum of the lower of (i) EUR 100,000 and (ii) the Reserve Amount remaining in the Interest Account as at such date) shall forthwith be transferred from the Interest Account to the Payment Account to be disbursed as Trustee Fees and Expenses in accordance with the Interest Proceeds Priority of Payment provided that the Senior Expenses Cap shall not apply to any such disbursement; and, secondly, (2) on the later of (x) the Long-Stop Date and (y) five Business Days following the date on which any pending Trustee indemnity claim referred to under (1) above has been paid in full, the Reserve Amount (or any remainder thereof) shall be paid to the Noteholders in accordance with the Priorities of Payment (and *pro rata* and *pari passu* in respect of each Class)".

3. **PROVISIONS OF TRUST DEED APPLICABLE**

The provisions of clause 28 (*Limited Recourse and Non-Petition*), clause 29 (*Notices*), clause 30 (Governing *Law and Jurisdiction*) and 31 (*Counterparts*) of the Trust Deed shall apply to and be incorporated into this Deed, *mutatis mutandis*.

4. **MISCELLANEOUS**

Save as varied by this Amendment Deed and the Trust Deed, the Conditions shall remain in full force and effect upon the terms and conditions set out therein.

THIS DEED has been executed and delivered as a deed on the date stated at the beginning of this Deed.

SIGNATORIES

Issuer

GIVEN under the Common Seal of)
AVOCA CLO V plc)

_____
Director

_____
Director / Secretary

Trustee

THE COMMON SEAL OF)
DEUTSCHE TRUSTEE COMPANY LIMITED)
was hereto affixed in the presence of)

Director / Associate Director

Director / Associate Director

Principal Paying Agent, Calculation Agent, Account Bank, Custodian and Collateral Administrator

SIGNED as a deed by)
DEUTSCHE BANK AG, LONDON BRANCH acting by)
two authorised signatories)

Authorised Signatory:

Authorised Signatory:

Registrar and Transfer Agent

EXECUTED as a deed)
and delivered by a duly authorised signatory of)
DEUTSCHE BANK TRUST COMPANY AMERICAS)

Authorised Signatory:

Authorised Signatory:

Investment Manager

SIGNED AND DELIVERED for and on behalf of
and as a deed by **KKR CREDIT ADVISORS (IRELAND)**
by its lawfully appointed attorney

(Name):

(Signature):

in the presence of:

(Signature of Witness):

(Name of Witness):

(Address of Witness):

(Occupation of Witness):

GIVEN under the Common Seal of **DEUTSCHE**)
INTERNATIONAL CORPORATE SERVICES)
(IRELAND) LIMITED)

_____
Director

_____
Authorised Signatory

SCHEDULE 2

Blackline showing Amendments to the Conditions

1. to the payment of any amounts due and payable by the Issuer to any Selling Institution pursuant to any Participation Agreement after the date of entry into any Participation;

2. to the payment of any amounts due and payable by the Issuer to any Selling Institution pursuant to any Collateral Acquisition Agreement after the date of entry into any such Collateral Acquisition Agreement; and

3. to the payment of any applicable value added tax required to be paid by the Issuer in respect of any of the foregoing.

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

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

4. any other Person who is a director, officer or employee:

    5. of such Person;

    6. of any subsidiary or parent company of such Person; or

    7. of any Person described in paragraph (a) above.

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

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

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

(a) the Aggregate Principal Balance of all Collateral Debt Obligations, save that:

    (i) for the purpose of calculating the Aggregate Principal Balance for the purposes of the Portfolio Profile Tests and the Collateral Quality Tests and in each case where Defaulted Obligations are specifically excluded, the Principal Balance of each Defaulted Obligation shall be excluded; save that, for the purpose of the Collateral Quality Test entitled "S&P CDO Monitor Test" the Principal Balance of Defaulted Obligations shall be included;

    8. for all purposes other than as set forth in paragraph (i) above, for the purpose of calculating the Aggregate Principal Balance, the Principal Balance of each Defaulted Obligation shall be the lower of its S&P Collateral Value and its Fitch Collateral Value; and

    9. the Principal Balance of each Current Pay Obligation shall be the lesser of (A) the Market Value of such Current Pay Obligation and (B) 80 per cent. of the Principal Balance of such Current Pay Obligation;

10. the Balances standing to the credit of the Principal Account and the Unused Proceeds Account (excluding any amount incurred or anticipated pursuant to Condition 3(j)(iii)(1)); and

11. Purchased Accrued Interest to the extent not realised or accounted for in (b) above.

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

"Amendment Deed" means the amendment deed dated [●] 2015 between, inter alios, the Issuer and the Trustee.

"**Applicable Margin**" has the meaning given thereto in Condition 6(e)(A)(4) (*Floating Rate of Interest*).

"**Non-Euro Account**" means each segregated account within the Custody Account into which amounts due to the Issuer in respect of each Non-Euro Obligation and out of which amounts from the Issuer to each Asset Swap Counterparty under each Asset Swap Transaction are to be paid, which shall be subdivided in the ledgers of the Custodian in respect of each individual currency received and each individual Non-Euro Obligation.

"**Non-Euro Obligation**" means any Collateral Debt Obligation purchased by or on behalf of the Issuer which is not denominated in Euro (or in one of the predecessor currencies of those EU member states which have adopted the Euro as their currency) but is denominated in the currency of a Qualifying Country and satisfies each of the Eligibility Criteria.

"**Noteholders**" means the several persons in whose name the Notes are registered from time to time which expression shall, whilst any Global Certificate remains Outstanding, mean in relation to the Notes represented thereby, each person who is for the time being shown in the records of the Clearing Systems as the holder of a particular principal amount outstanding of Book-Entry Interest(s) in such Notes for all purposes (in which regard any certificate or other document issued by the Clearing System as to the principal amount outstanding of such Notes, in turn, represented by the Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) other than with respect to the payment of any principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the registered owner of the Global Certificate, in accordance with and subject to its terms and the terms of the Trust Deed, and "**holder**" (in respect of the Notes) shall be construed accordingly.

"Noteholder Resolution" means the Extraordinary Resolution of the Noteholders of each Class duly passed on [●] 2015 at a meeting of the Noteholders of such Class, pursuant to which the Noteholders of each Class approved the amendment to the Conditions of the Notes to allow the Settlement Amount to paid subject to and in accordance with the Priorities of Payment in accordance with Conditions 3(c)(i) and 3(c)(ii) of the Notes (as amended).

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

(a) to the redemption on a *pro rata* basis of (i) the Class A1A Notes and the Class A2 Notes taken together (such redemption to be applied first to the Class A1A Notes until they have been fully redeemed and then to the Class A2 Notes until they have been fully redeemed) and (ii) the Class A1B Notes at the applicable Redemption Price in whole or in part until the Class A Notes have been fully redeemed;

(b) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class B Notes and any Deferred Interest on the Class B Notes, until such amounts have been paid in full;

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

(d) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class C Notes and any Deferred Interest on the Class C Notes, until such amounts have been paid in full;

(e) to the redemption of the Class C Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class C Notes have been fully redeemed;

(f) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class D Notes and any Deferred Interest on the Class D Notes, until such amounts have been paid in full;

(g) to the redemption of the Class D Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class D Notes have been fully redeemed;

(h) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class E Notes and any Deferred Interest on the Class E Notes, until such amounts have been paid in full;

(i) to the redemption of the Class E Notes (on a *pro rata* basis) at the applicable Redemption Price in whole or in part until the Class E Notes have been fully redeemed;

(j) to the payment on a *pro rata* basis of accrued and unpaid Interest Amounts on the Class F Notes and any Deferred Interest on the Class F Notes, until such amounts have been paid in full; and

(k) in the case of any Collateral Debt Obligation, save for any Non-Euro Obligation, scheduled principal repayments received by the Issuer (including scheduled amortisation, instalment or sinking fund payments);

(l) in the case of any Asset Swap Obligation, scheduled final and interim payments in the nature of principal exchanges paid to the Issuer by the applicable Asset Swap Counterparty under the related Asset Swap Transaction; and

(m) in the case of any Synthetic Security, any Synthetic Collateral relating thereto on any amount received upon liquidation thereof to which the Issuer is entitled upon expiration or termination of such Synthetic Security at its Scheduled Maturity.

"**Secured Party**" means each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class G Subordinated Noteholders, the Class Q Combination Noteholders, the Class R Combination Noteholders, the Class S Combination Noteholders, the Investment Manager, the Collateral Administrator, the Trustee, the Agents, each Asset Swap Counterparty, any Interest Rate Hedge Counterparty and Deutsche Bank AG, London Branch or its Affiliates, in respect of the Financed Amount Fee Letter and Subscription Agreement.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Selling Institution**" means an institution which satisfies the applicable Rating Requirement from whom a Participation is granted.

"**Senior Expenses Cap**" means in respect of each Due Period, €150,000 plus an amount equal to 0.025 per cent of the Aggregate Collateral Balance on the first day of such Due Period.

"**Senior Investment Management Fee**" means the fee payable to the Investment Manager in arrear on each Payment Date in respect of each Due Period pursuant to the Investment Management Agreement in an amount, as determined by the Collateral Administrator, equal to 0.15 per cent. per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance as at the beginning of the Due Period immediately preceding such Payment Date.

"**Senior Investment Management Fee Cap**" means, in respect of each Due Period 0.15 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 Aggregate Collateral Balance as at the first day of the Due Period immediately preceding the Payment Date in respect of such Due Period.

"**Senior Loan**" means Collateral Debt Obligations (which maybe a Delayed Drawdown Obligation) that is (a) a senior secured or unsecured loan obligation as determined by the Investment Manager or a Participation therein or (b) a Synthetic Security, the Reference Obligation applicable to which is an obligation of the type described in (a).

"**Senior Notes**" means, so long as any Notes of the relevant Class remains Outstanding, each Class of Notes other than the Class G Subordinated Notes and the Combination Notes.

"Settlement Agreement" means the settlement agreement dated [●] between, *inter alia*, the Issuer, the Trustee and Lehman Commercial Paper Inc..

"Settlement Amount" means a payment by the Issuer to Lehman Commercial Paper Inc. of an amount in cash equal to One Hundred and Sixty Three Thousand Dollars (USD 163,000.00) subject to and in accordance with the provisions of the Settlement Agreement.

"**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*).

"**Stated Maturity**" means, with respect to any Collateral Debt Obligation, Synthetic Collateral 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 or, in the case of a Synthetic Security, the scheduled date of termination of such instrument or agreement.

immediately preceding Due Period, pursuant to the Investment Management Agreement equal to 0.50 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 Aggregate Collateral Balance as at the first day of the Due Period immediately preceding such Payment Date, as determined by the Collateral Administrator.

"**Substitute Collateral Debt Obligation**" means a Collateral Debt Obligation purchased out of Principal Proceeds pursuant to the terms of the Investment Management Agreement and which satisfies both the Eligibility Criteria and the Reinvestment Criteria.

"Support Letter" means the support letter dated [●] between, inter alia, the Issuer, the Trustee and Lehman Commercial Paper Inc.;

"**Synthetic Collateral**" means any collateral which shall be in the form of cash or securities which satisfies the requirements of the definition of Eligible Investment, save for that relating to the Stated Maturity thereof (in each case as permitted by the terms of the applicable Synthetic Security) required to be delivered by the Issuer as security for its obligations to any Synthetic Counterparty under any Synthetic Security pursuant to the terms thereof. References to the price payable upon the acquisition of or entry into a Synthetic Security acquired or entered into by the Issuer on an unfunded basis shall be deemed to be the aggregate price of Synthetic Collateral required to be delivered by the Issuer to the applicable Synthetic Counterparty.

"**Synthetic Collateral Account**" means the Account of the Issuer with the Custodian into which all Synthetic Collateral is to be deposited.

"**Synthetic Counterparty**" means any counterparty required to make payments on a Synthetic Security, which counterparty satisfies the applicable Rating Requirement (or whose obligations are guaranteed by a guarantor which satisfies the applicable Rating Requirement).

"**Synthetic Security**" means:

(n) a Collateralised Credit Default Swap under which the Reference Obligation is a Senior Loan or a Mezzanine Obligation and which satisfies the Eligibility Criteria; or

(o) any credit-linked note (including an Uncollateralised CLN) under which the Reference Obligation is a Senior Loan or Mezzanine Obligation and which satisfies the Eligibility Criteria, which investment contains an equivalent probability of default, recovery upon default (or a specific percentage thereof) and expected loss characteristics as those of the related Reference Obligation or Reference Entity (without taking account of such considerations as they relate to the Synthetic Counterparty), save to the extent otherwise specified and subject to receipt of Rating Agency Confirmation in respect thereof, but which may contain a different maturity, interest rate, interest rate reference, currency or other non-credit characteristics than such Reference Obligation; provided that:

(ii) no Synthetic Security shall require the Issuer to make any payment to the Synthetic Counterparty after the initial purchase thereof by the Issuer (other than a Collateralised Credit Default Swap to the extent of any Synthetic Collateral deposited by the Issuer into the Synthetic Collateral Account in respect thereof);

(iii) ownership of any Synthetic Security shall not subject the Issuer to net income tax; and

(iv) Rating Agency Confirmation has been received in respect of the acquisition of or entry into the relevant Synthetic Security by the Issuer.

"**Target Par Amount**" means, in respect of the initial Portfolio, €500,000,000.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (or, if such system ceases to be operative, such other system (if any) determined by the Trustee to be a suitable replacement).

"**Transaction Documents**" means the Trust Deed, the Agency Agreement, the Investment Management Agreement, any Asset Swap Agreements, any Interest Rate Hedge Agreements, Collateral Acquisition Agreements, the Participation Agreements, the Corporate Services Agreement, the Letter of Undertaking and the Financed Amount Fee Letter.

"**Trustee Fees and Expenses**" means the fees and expenses and other amounts payable to the Trustee pursuant to the Trust Deed from time to time.

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** Notes of each Class are constituted by the Trust Deed and are secured on the Collateral as further described in the Trust Deed. Payments of interest on each Class of Notes will be subordinated to payments of principal on each Class of Notes (if any) ranking in priority thereto pursuant to the Note Payment Sequence and payments of principal on each Class of Notes will be subordinated to payments of principal on each Class of Notes (if any) ranking in priority thereto pursuant to the Note Payment Sequence. Notwithstanding the foregoing, in the circumstances described below payment of interest on a more junior ranking Class of Notes may be paid prior to payment of principal on a Class of Notes ranking senior in priority thereto as a result of the operation of the Interest Proceeds Priority of Payments, including following enforcement of the security over the Collateral.

For purposes of subordination and the Priorities of Payment set out in Condition 3(c) (*Priorities of Payment*), the Combination Notes shall not be treated as separate Classes of Notes and Components of the relevant Class of Combination Notes will be treated as Notes of the Classes represented by such Components.

(c) **Priorities of Payment** The Collateral Administrator shall (on the basis of the Payment Date Report prepared by the Collateral Administrator pursuant to the terms of the Investment Management Agreement on each Determination Date), on behalf of the Issuer and in consultation with the Investment Manager, on each Payment Date cause the Account Bank to disburse Interest Proceeds and Principal Proceeds transferred to the Payment Account on the second Business Day prior thereto or, in the case of (iii) below, the Collateral Enhancement Account, in accordance with the following Priorities of Payment:

(i) **Application of Interest Proceeds**

(A) to the payment of taxes owing by the Issuer accrued in respect of the related Due Period, if any, as certified by an Authorised Officer of the Issuer to the Trustee (save for any value added tax payable in respect of any Investment Management Fee); and

(B) to the payment of any unpaid Financed Amount then due and payable, provided that such amount paid on any Payment Date may not exceed the Financed Amount Threshold for such Payment Date plus any Financed Amount Interest payable in respect of such Payment Date;

(C) to the payment of accrued and unpaid Trustee Fees and Expenses up to an amount equal to the Senior Expenses Cap in respect of any Due Period, provided that the Senior Expenses Cap shall not apply to this paragraph at any time following the taking of any Enforcement Action by the Trustee;

(D) to the payment of Administrative Expenses (firstly, to Administrative Expenses referred to in paragraph (a) of the definition thereof and secondly, to Administrative Expenses referred to in paragraphs (b) through (j) of the definition thereof on a *pro rata* basis) in relation to each item thereof, up to an amount equal to the Senior Expenses Cap in respect of the related Due Period less (i) the aggregate amount of Administrative Expenses paid out of the Interest Account for the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise and the Principal Account for the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise and (ii) any amounts paid pursuant to paragraph (C) above;

(E) to the payment on a *pro rata* basis to the Investment Manager of the Senior Investment Management Fee due and payable on such Payment Date and any value added tax in respect thereof up to an amount in aggregate of such fee and value added tax equal to the Senior Investment Management Fee Cap and, thereafter, to the payment of any Senior Investment Management Fee and to the payment of any value added tax in respect thereof in each case, due and payable but not paid pursuant to this paragraph (E) on any prior Payment Date (otherwise than by reason of the limitation of the amount payable pursuant to the Senior Investment Management Fee Cap);

(F) to the payment on a *pro rata* basis of (i) any Scheduled Periodic Asset Swap Issuer Payments due and payable under any Asset Swap Transaction (to the extent not paid from funds available in the account applicable to the related Asset Swap Transaction within the Non-Euro Account) and (ii) any Scheduled Periodic Interest Rate Hedge Issuer Payments due and payable to any Interest Rate Hedge Counterparty;

(G) to the payment, on a *pro rata* basis, of (i) any Asset Swap Issuer Termination Payments due and payable to any Asset Swap Counterparty to the extent not paid from funds available in the Hedge Termination Account, save for any Defaulted Asset Swap Termination Payments and (ii) any Interest Rate Hedge Issuer Termination Payments due and payable to any Interest Rate Hedge Counterparty, to the extent not paid from funds available in the Hedge Termination Account, save for any Defaulted Interest Rate Hedge Termination Payments;

(H) to the payment on a *pro rata* basis of (i) all Interest Amounts due and payable on the Class A1A Notes and the Class A2 Notes (such amount to be applied first to the payment of Interest Amounts due and payable on the Class A1A Notes and then to the payment of Interest Amounts due and payable on the Class A2 Notes) and (ii) all Interest Amounts due and payable on the Class A1B Notes in respect of the Accrual Period ending on such Payment Date and thereafter any Interest Amounts previously due and payable on the Class A Notes but unpaid, together with any default interest payable thereon pursuant to the Trust Deed;

(I) to the payment on a *pro rata* basis of any amounts due and payable by the Issuer to (i) any Asset Swap Counterparty on or prior to such Payment Date in connection with the entry into a Replacement Asset Swap Agreement and (ii) to any Interest Rate Hedge Counterparty on or prior to such Payment Date in connection with the entry into a Replacement Interest Rate Hedge Agreement, in either case, to the extent that such amounts exceed amounts received by the Issuer upon termination of the Interest Rate Hedge Agreement or an Asset Swap Agreement being replaced;

(J) in the event that the Class A Par Value Test is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class A Par Value Test to be met if recalculated following such payment;

(K) **only on the Payment Date falling on 3 February 2016 to the payment of:**

(i) firstly, the Settlement Amount due under the Settlement Agreement to Lehman Commercial Paper Inc.;

(ii) secondly, on a *pro-rata* and *pari-passu* basis, the legal fees and expenses (including VAT thereon) of (i) Ashurst LLP as legal adviser to the Investment Manager, (ii) Matheson Ormsby Prentice as legal adviser to the Issuer and (iii) Allen and Overy LLP as legal adviser to the Trustee, in each case payable in relation to the Settlement Agreement, the Proposal and its implementation and other expenses associated with holding the Noteholder Meeting; and

(iii) thirdly, an amount equal to EUR 100,000 as a deferred payment of interest to the Noteholders to the Interest Account to be applied in accordance with Condition 3(j)(ii)(5);

(L) ~~(K)~~ to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class B Notes in respect of the Accrual Period ending on such Payment Date and thereafter to the payment on a *pro rata* basis of any Deferred Interest on the Class B Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(M) ~~(L)~~ in the event that either of the Class B Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class B Coverage Tests to be met if recalculated following such payment;

(N) ~~(M)~~ to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class C Notes in respect of the Accrual Period ending on such Payment Date and thereafter 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*);

(O) ~~(N)~~ in the event that either of the Class C Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class C Coverage Tests to be met if recalculated following such payment;

(P) ~~(O)~~ 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 and thereafter 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*);

(Q) ~~(P)~~ in the event that either of the Class D Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class D Coverage Tests to be met if recalculated following such payment;

(R) ~~(Q)~~ 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 and thereafter 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*);

(S) ~~(R)~~ in the event that either of the Class E Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class E Coverage Tests to be met if recalculated following such payment;

(T) ~~(S)~~ to the payment on a *pro rata* basis of the Interest Amounts due and payable on the Class F Notes in respect of the Accrual Period ending on such Payment Date and thereafter to the payment on a *pro rata* basis of any Deferred Interest on the Class F Notes which is due and payable pursuant to Condition 6(c) (*Deferral of Interest*);

(U) ~~(T)~~ in the event that either of the Class F Coverage Tests is not satisfied on the related Determination Date, to the payment in accordance with the Note Payment Sequence to the extent necessary to cause the Class F Coverage Tests to be met if recalculated following such payment;

(V) ~~(U)~~ on any Payment Date following the Effective Date, in the event of the occurrence of an Effective Date Rating Event which is continuing on the Business Day prior to such Payment Date, to redeem the Notes in accordance with the Note Payment Sequence or, if earlier, until the Rating Agencies confirm or affirm the Initial Ratings of the Notes;

(W) ~~(V)~~ during the Reinvestment Period, in the event that the Reinvestment Diversion Test is not satisfied Interest Proceeds shall be applied either (at the discretion of the Investment Manager (acting on behalf of the Issuer)), (i) to the payment into the Principal Account for the acquisition of additional Collateral Debt Obligations or (ii) to payment in accordance with the Note Payment Sequence, in either case in an amount equal to the lesser of (1) 50 per cent. of all remaining Interest Proceeds available for payment and (2) the amount which would be sufficient to cause the Reinvestment Diversion Test to be met if recalculated following such payment;

(X) ~~(W)~~ on any Payment Date following redemption of the Class Q Combination Notes, the Class R Combination Notes and the Class S Combination Notes such that the Principal Amount Outstanding thereof is reduced to €1, to the payment on a *pro rata* basis of any (i) Defaulted Asset Swap Termination Payments due to any Asset Swap Counterparty and (ii) Defaulted Interest Rate Hedge Termination Payments due to any Interest Rate Hedge Counterparty, in either case, to the extent not paid from funds available in the Hedge Termination Account;

(Y) ~~(X)~~ to the payment of Trustee Fees and Expenses not paid by reason of the Senior Expenses Cap;

(Z) ~~(Y)~~ to the payment of Administrative Expenses, if any, (firstly, to Administrative Expenses referred to in paragraph (a) of the definition thereof and secondly, to Administrative Expenses referred to in paragraphs (b) through (j) of the definition thereof on a *pro rata* basis) not paid by reason of the Senior Expenses Cap, in relation to each item thereof;

(AA) ~~(Z)~~ to the payment on a *pro rata* basis to the Investment Manager of any unpaid Senior Investment Management Fee not paid pursuant to paragraph (E) above on any prior

Payment Dates (by reason of the limitation of the amount payable by reference to the Senior Investment Management Fee Cap) and any value added tax in respect thereof;

(BB) ~~(AA)~~ to the payment on a *pro rata* basis to the Investment Manager of the Subordinated Investment Management Fee due on such Payment Date and any value added tax in respect thereof and, thereafter, to the payment on a *pro rata* basis of any unpaid Subordinated Investment Management Fee and any value added tax in respect thereof;

(CC) ~~(BB)~~ at the discretion of the Investment Manager (acting on behalf of the Issuer) to payment into the Collateral Enhancement Account up to a maximum aggregate amount (taking into account all payments into the Collateral Enhancement Account pursuant to the Interest Proceeds Priority of Payments and/or out of the Interest Account on any prior Payment Date) of €125,000;

(DD) ~~(CC)~~ to the extent not paid out of Collateral Enhancement Obligation Proceeds pursuant to Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*) or the Balance standing to the credit of the Collateral Enhancement Account, and provided there is no Balance standing to the credit of the Collateral Enhancement Account, to the repayment of any Investment Manager Advances;

(EE) ~~(DD)~~ until the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date), to the payment of interest on the Class G Subordinated Notes on a *pro rata* basis by reference to that proportion immediately prior to such redemption provided, however, that prior to the end of the Reinvestment Period, the Investment Manager will have the option (but not the obligation) to divert a portion of this interest distribution into the Principal Account in an amount up to but not exceeding one half of the excess (if any) of the aggregate amount available to be distributed over 6 per cent. of the aggregate principal amount of the Class G Subordinated Notes as at the Issue Date. Any diversion will be entirely at the option of the Investment Manager, including the amount of such diversion, subject to such limit as aforesaid;

(FF) ~~(EE)~~ after the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date):

(i) 20 per cent. of any remaining Interest Proceeds, to the payment on a *pro rata* basis to the Investment Manager as an Incentive Investment Management Fee and to the payment of any value added tax in respect thereof; and

(ii) 80 per cent. of any remaining Interest Proceeds to the payment of interest on the Class G Subordinated Notes on a *pro rata* basis.

(ii) **Application of Principal Proceeds**

(A) to the payment on a sequential basis of the amounts referred to in paragraphs (A) through (H) then paragraphs (J), (~~I~~**K**), (~~N~~**M**), (~~P~~**), (R), (~~T~~O), (Q), (S), (U**) and (~~U~~**V**) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(B) to payment in accordance with the Note Payment Sequence (1) in an amount equal to the Special Redemption Amount (if any) applicable to such Payment Date if it is a Special Redemption Date or (2) in an amount equal to all remaining Principal Proceeds in the event of any redemption of the Notes pursuant to Condition 7(b) (*Redemption at the Option of the Class G Subordinated Noteholders*);

(C) (1) during the Reinvestment Period, either to the purchase of Substitute Collateral Debt Obligations or to the Principal Account pending reinvestment in Substitute Collateral Debt Obligations at a later date;

(2) after the Reinvestment Period, all Principal Proceeds (other than those permitted to be and actually designated for reinvestment in accordance with the Investment Management Agreement), in redemption of the Notes in accordance with the Note Payment Sequence;

(D) to the payment on a sequential basis of the amounts referred to in paragraphs (I) and (~~W~~**X**) through (CC) (inclusive) of the Interest Proceeds Priority of Payments, but only to the extent not paid in full thereunder;

(E) until the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date), to the payment of principal on the Class G Subordinated Notes on a *pro rata* basis;

(F) after the Incentive Investment Management Fee IRR Threshold has been reached (after taking into account all prior distributions to Class G Subordinated Noteholders and any distribution to be made to Class G Subordinated Noteholders on such Payment Date):

(i) 20 per cent. of any remaining Principal Proceeds, to the payment on a *pro rata* basis to the Investment Manager as an Incentive Investment Management Fee and to the payment of any value added tax in respect thereof ; and

(ii) 80 per cent. of any remaining Principal Proceeds to the payment of principal on the Class G Subordinated Notes on a *pro rata* basis.

(iii) **Application of Collateral Enhancement Obligation Proceeds**

Prior to the enforcement of the security over the Collateral, any Collateral Enhancement Obligation Proceeds (save for amounts representing the Sale Proceeds in excess of the purchase price for any Collateral Enhancement Obligation that is sold, which have been either (i) credited or (ii) transferred (pursuant to Condition 3(j)(x)(4) (*Collateral Enhancement Account*)) to the Principal Account at the Investment Manager's discretion) received by the Issuer during a Due Period, will, on the relevant Payment Date:

(A) firstly, be paid to the Investment Manager in the event that an Investment Manager Advance has been made and is outstanding, such amount of any Collateral Enhancement Obligation Proceeds as is required to repay such Investment Manager Advance;

(B) secondly, in an amount determined by the Investment Manager in its discretion, be paid on the relevant Payment Date to the Class G Subordinated Noteholders on a *pro rata* basis;

(C) thirdly, in an amount determined by the Investment Manager in its discretion, be retained in the Collateral Enhancement Account; and

(D) fourthly, to the extent of any remaining Collateral Enhancement Obligation Proceeds, be paid to the Principal Account.

Following enforcement of the security over the Collateral, any Collateral Enhancement Obligation Proceeds shall also be distributed in accordance with this Condition 3(c)(iii) (*Application of Collateral Enhancement Obligation Proceeds*).

(d) **Non-payment of Amounts** 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 Interest Proceeds Priority 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 least five days and (ii) (A) in the case of non-payment of interest due and payable on the Class B Notes, the Class A Notes have been redeemed in full, (B) in the case of non-payment of interest due and payable on the Class C Notes, the Class B Notes have been redeemed in full, (C) in the case of non-payment of interest due and payable on the Class D Notes, the Class C Notes have been redeemed in full, (D) in the case of non-payment of interest due and payable on the Class E Notes, the

(6) at any time to the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise but only to the extent that there are insufficient amounts available to pay such amounts in accordance with Condition 3(j)(ii)(4) (*Interest Account*); and

(7) at any time after the Effective Date up to and including the fourth Payment Date, to the payment of certain fees, costs and expenses incurred in connection with the issue of the Notes from the amounts so designated in paragraph (1) above.

(ii) **Interest Account.** The Issuer will procure that the following Interest Proceeds are credited to the Interest Account promptly upon receipt thereof:

(B) all cash payments of interest in respect of the Collateral Debt Obligations (save for Non-Euro 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 any amounts which represent deferred interest received in respect of any Deferring Mezzanine Obligation;

(C) if at any time after the first anniversary of the Issue Date the Class F Par Value Ratio is at least equal to the level the Class F Par Value Ratio is anticipated to be as at the Effective Date, as determined by the Investment Manager on or about the Issue Date (being 105.9 per cent.), all amendment and waiver fees, late payment fees, commitment fees, syndication fees and other fees and commissions received in connection with any Collateral Debt Obligation, including, without limitation, upon sale or purchase thereof which the Investment Manager determines in its discretion shall be paid into the Interest Account, save to the extent received in respect of any Defaulted Obligation or the work out or restructuring of any Collateral Debt Obligation;

(D) all accrued interest included in the proceeds of sale of any other Collateral Debt Obligation that is designated by the Investment Manager as Interest Proceeds pursuant to the Investment Management Agreement, provided that no such designation may be made in respect of (i) any Purchased Accrued Interest or (ii) any such proceeds that represent deferred interest accrued in respect of any Deferring Mezzanine Obligation;

(E) all Scheduled Periodic Asset Swap Counterparty Payments received by the Issuer under an Asset Swap Transaction and all Scheduled Periodic Interest Rate Hedge Counterparty Payments received by the Issuer under an Interest Rate Hedge Transaction;

(F) cash amounts (representing any excess standing to the credit of the Non-Euro Account after provisioning by the Investment Manager for any amounts due to be paid to any Asset Swap Counterparty pursuant to any Asset Swap Transaction) transferred from the Non-Euro Account, converted into Euro at the prevailing spot rate of exchange as determined by the Calculation Agent at the direction of the Investment Manager;

(G) all amounts received by the Issuer in respect of interest paid in respect of any collateral deposited by the Issuer with a third party as security for any reimbursement or indemnification obligations to any other lender under a Delayed Drawdown Obligation in an account established pursuant to an ancillary facility;

(H) amounts transferred from the Unused Proceeds Account upon confirmation by the Rating Agencies of the Initial Ratings assigned to the Notes after the Effective Date in the circumstances described under paragraph (iii) (Unused Proceeds Account) below; and

(I) amounts transferred by the Investment Manager to the Interest Account pursuant to Condition 3(j)(i)(5) (*Principal Account*).

(J) an amount equal to EUR 100,000 payable into the Interest Account on [[●] 2015] pursuant to the Priorities of Payment as a deferred payment of interest to the Noteholders (the "Reserve Amount") to be applied solely in accordance with sub-paragraph (5) 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 Interest Account:

(1) on the second Business Day prior to each Payment Date, all Interest Proceeds standing to the credit of the Interest Account **(save with respect to the Reserve Amount which shall only be transferred in accordance with sub-paragraph (5) below)** shall be transferred to the Payment Account to the extent required for disbursement pursuant to the Interest Proceeds Priority of Payments, save for amounts deposited after the end of the related Due Period and, on any Payment Date, other than a Payment Date on which all of the Notes are to be redeemed in full

(2) at any time, subject to insufficient amounts being available in the Collateral Enhancement Account for the acquisition or exercise of any Collateral Enhancement Obligation at such time, amounts required by the Issuer or the Investment Manager for such purpose at such time, to be deposited into the Collateral Enhancement Account, provided that:

(x) each Coverage Test and Collateral Quality Test is satisfied if recalculated following any such withdrawal; and

(y) the amount of funds withdrawn from the Interest Account or pursuant to paragraph (BB) of the Interest Proceeds Priority of Payment pursuant to this paragraph (2) for such purpose in each case in aggregate in any particular Due Period, do not exceed €125,000;

~~(3)~~ at any time, any amount determined by the Investment Manager at its discretion to be transferred to the Principal Account provided that (i) following such transfer each of the Interest Coverage Tests is satisfied and (ii) the most recent Monthly Report contains a statement that each of the Interest Coverage Tests is satisfied; ~~and~~

(4) at any time to the payment of any value added tax due and payable by the Issuer whether on a reverse charge basis or otherwise provided that such payments shall not exceed the Senior Expenses Cap for such Due Period~~.~~ **; and**

(5) the Reserve Amount paid into the Interest Account in accordance with sub-paragraph (L) above to be paid as follows: (1) if at any time prior to [[●] 2016] (the "Long-Stop Date") the Trustee makes a claim for indemnification in accordance with clause 15.6 of the Trust Deed for any Liability incurred in connection with its entry into of the Support Letter and/ or Settlement Agreement and/or the Amendment Deed and/or and any act taken to implement or enforce the Resolution, the Support Letter and/or the Settlement Agreement; an amount equal to the amount of such claim (subject to a maximum of the lower of (i) EUR 100,000 and (ii) the Reserve Amount remaining in the Interest Account as at such date) shall forthwith be transferred from the Interest Account to the Payment Account to be disbursed as Trustee Fees and Expenses in accordance with the Interest Proceeds Priority of Payment provided that the Senior Expenses Cap shall not apply to any such disbursement; and, secondly, (2) on the later of (x) the Long-Stop Date and (y) five Business Days following the date on which any pending Trustee indemnity claim referred to under (1) above has been paid in full, the Reserve Amount (or any remainder thereof) shall be paid to the Noteholders in accordance with the Priorities of Payment (and *pro rata* and *pari passu* in respect of each Class)".

(iii) **Unused Proceeds Account** The Issuer will procure that the following amount is credited to the Unused Proceeds Account: an amount equal to the net proceeds of issue of the Notes remaining after the payment of all amounts due and payable by the Issuer on the Issue Date in connection with the purchase by the Issuer of certain Collateral Debt Obligations on or prior to the Issue Date and any associated Asset Swap purchased or committed to be purchased by the Issuer on or prior to the Issue Date, including the repayment of any amounts borrowed by the Issuer (together with any interest thereon) in order to finance the acquisition thereof which amounts shall, in each case, be divided between the Unused Proceeds Interest Subaccount and Unused Proceeds Principal Subaccount as directed by the Investment Manager.

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 Unused Proceeds Account:

(1) certain fees, costs and expenses incurred in connection with the issue of the Notes and anticipated to be payable by the Issuer on or following completion of the issue of the Notes which amount shall be paid out of the Unused Proceeds Principal Subaccount;