

“Participation”: With respect to a Loan, a participation interest (other than a sub-participation interest) in such Loan purchased from a Selling Institution that does not entitle the holder thereof to direct rights against the obligor on such Loan. For the avoidance of doubt, a Pre-Funded Letter of Credit that is structured as a participation will be treated as a Participation.

“Permissible Replacement Collateral Obligation”: Any Collateral Obligation (a) that (i) in the case of a Caa Collateral Obligation (x) is purchased with the Sale Proceeds of a Caa Collateral Obligation, (y) has a Moody’s Obligation Rating no lower than the Collateral Obligation that was sold or otherwise disposed of and (z) if 10% or more of the Portfolio Principal Balance consists of Caa Collateral Obligations, such obligation has a rating of “Caa1” and (ii) in the case of a CCC Collateral Obligation (x) is purchased with the Sale Proceeds of a CCC Collateral Obligation, (y) has an S&P Rating no lower than the Collateral Obligation that was sold or otherwise disposed of, and (z) if 10% or more of the Portfolio Principal Balance consists of CCC Collateral Obligations, such obligation has a rating of “CCC+”; (b) the credit quality of which, in the Investment Manager’s reasonable business judgment, is better than the credit quality of the Collateral Obligation that was sold or otherwise disposed of; (c) after giving effect to the purchase of which, the Portfolio Principal Balance will not consist of more than 12.5% of Caa Collateral Obligations (in the case of a purchase of a Caa Collateral Obligation) or CCC Collateral Obligations (in the case of a purchase of a CCC Collateral Obligation); and (d) the par amount of which is no greater than the par amount of the Caa Collateral Obligation or CCC Collateral Obligation that was sold.

“Person”: An individual, corporation (including a statutory trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), limited liability company, unincorporated association or government or an agency or political subdivision thereof.

“PIK Securities”: Debt obligations (other than Partial PIK Securities) that provide for periodic payments of interest to be deferred or capitalized (without defaulting).

“Portfolio Principal Balance”: The Aggregate Principal Balance of the Collateral Obligations and Eligible Principal Investments (without duplication, and excluding any Eligible Principal Investments in the Credit Facility Reserve Account) on the date of determination.

“Pre-Funded Letter of Credit”: An interest bearing deposit of funds at an agent bank for a Loan (which agent bank must (x) be an institution with a long-term rating of at least “A+” and “A1” or a short-term rating of at least “A-1” and “P-1” from S&P and Moody’s, respectively (such ratings, as of the time of commitment to purchase) and (y) hold such funds in a deposit account, or if, invested, invest such funds in investments of the type described in the definition of Eligible Investments), made as a part of an overall credit facility that includes the issuance of one or more letters of credit by such agent bank to the borrower(s) under such credit facility, and which credit facility (a) requires the Issuer to make such a deposit, (b) provides that the agent bank may draw upon such deposit to repay any unpaid amounts on such letters of credit, (c) provides that, upon a draw on such deposit by the agent bank, any unpaid amounts on such letters of credit will be added to the amounts otherwise owed by the borrower(s) to the Issuer (whether by an increase in the principal amount of the other obligations of the borrower(s) to the Issuer, by an assignment or other transfer of the letters of credit to the Issuer, or by another method that transfers or converts the unpaid letter of credit obligations to the Issuer’s account), (d) requires that such deposit be made at the time the Issuer purchases its portion of the Loan to the borrower(s), (e) requires that the amount of the deposit equal the full amount that may be drawn against by the agent bank, and (f) requires the borrower(s) to pay the Issuer a fee or spread related to the amount of the deposit so long as the deposit account remains undrawn; *provided, however*, that such obligation shall only be considered a Pre-Funded Letter of Credit so long as the deposit account remains undrawn. Any such obligation will not be considered a Pre-Funded Letter of Credit for purposes of the Concentration Limits or the Pre-Funded Letter of Credit Reserve Amount if (w) the full amount of any withholding tax (U.S. or non-U.S.) on the fees described in (f) above is being withheld; (x) “gross-up” payments that cover the full amount of any withholding tax (U.S. or non-U.S.) on the fees described in (f) above will be made by the borrower(s); (y) the Issuer has received an opinion of nationally recognized tax counsel (a copy of which shall be provided to S&P), to the effect that payments of the fees described in (f) above are not subject to withholding tax (U.S. or non-U.S.) or a public pronouncement or ruling has been made by the relevant tax authority to the same effect; or (z) Rating Agency Confirmation is obtained from S&P.

“Pre-Funded Letter of Credit Reserve Account”: An account established by the Trustee under the Indenture. On any Business Day, funds may be withdrawn from the Pre-Funded Letter of Credit Reserve Account for the payment