



Global Corporate Trust
214 N. Tryon Street, 26th Floor
Charlotte, North Carolina 28202

**Notice to Holders of Notes issued by Barings CLO Ltd. 2018-III
and, as applicable, Barings CLO 2018-III, LLC**

Class of Notes	Rule 144A			Regulation S			Certificated	
	CUSIP	ISIN	Common	CUSIP	ISIN	Common Code	CUSIP	ISIN
X	06760PAA9	US06760PAA93	N/A	G0822JAA5	USG0822JAA54	183704095	06760PAB7	US06760PAB76
A-1	06760PAC5	US06760PAC59	N/A	G0822JAB3	USG0822JAB38	183704117	06760PAD3	US06760PAD33
A-2	06760PAE1	US06760PAE16	N/A	G0822JAC1	USG0822JAC11	183704109	06760PAF8	US06760PAF80
B-1	06760PAG6	US06760PAG63	N/A	G0822JAD9	USG0822JAD93	183704125	06760PAH4	US06760PAH47
B-2-R	06760PAQ4	US06760PAQ46	N/A	G0822JAH0	USG0822JAH08	222790565	N/A	N/A
C	06760PAL5	US06760PAL58	N/A	G0822JAF4	USG0822JAF42	183704133	06760PAM3	US06760PAM32
D	06760PAJ0	US06760PAJ03	N/A	G0822JAE7	USG0822JAE76	183704150	06760PAK7	US06760PAK75
E	06760RAA5	US06760RAA59	N/A	G08202AA4	USG08202AA41	183704176	06760RAB3	US06760RAB33
F	06760RAC1	US06760RAC16	N/A	G08202AB2	USG08202AB24	183704168	06760RAD9	US06760RAD98
Subordinated Notes	05618JAE1	US05618JAE10	110285671	G0701LAC2	USG0701LAC21	110285698	05618JAF8	US05618JAF84

and notice to the parties listed on Schedule A attached hereto.

Notice of Proposed Second Supplemental Indenture

PLEASE FORWARD THIS NOTICE TO BENEFICIAL HOLDERS

Reference is made to that certain Indenture, dated as of June 14, 2018 (as amended by the First Supplemental Indenture, dated as of September 10, 2020, and as may be further amended, modified or supplemented from time to time, the “**Indenture**”), among Barings CLO Ltd. 2018-III, as issuer (the “**Issuer**”), Barings CLO 2018-III, LLC, as co-issuer (the “**Co-Issuer**”), and U.S. Bank Trust Company, National Association (successor to U.S. Bank National Association), as trustee (in such capacity, the “**Trustee**”). Capitalized terms used but not defined herein which are defined in the Indenture shall have the meaning given thereto in the Indenture.

Pursuant to Section 8.3(b) of the Indenture, the Trustee hereby provides notice of a proposed second supplemental indenture (hereinafter referred to as the “**Proposed Second Supplemental Indenture**”) to be entered into among the Issuer, the Co-Issuer and the Trustee pursuant to the definition of “LIBOR” in the Indenture and Section 8.3(i) of the Indenture. A copy of the Proposed Second Supplemental Indenture is attached hereto as **Exhibit A**.

Please note that the execution of the Proposed Second Supplemental Indenture is subject to the satisfaction of certain conditions set forth in the Indenture, including, without

limitation, the conditions set forth in Article VIII of the Indenture. The Trustee does not express any view on the merits of, and does not make any recommendation (either for or against) with respect to, the Proposed Second Supplemental Indenture and gives no investment, tax or legal advice. Each Holder should seek advice from its own counsel and advisors based on the Holder's particular circumstances.

Recipients of this notice are cautioned that this notice is not evidence that the Trustee will recognize the recipient as a Holder. In addressing inquiries that may be directed to it, the Trustee may conclude that a specific response to a particular inquiry from an individual Holder is not consistent with equal and full dissemination of information to all Holders. Holders should not rely on the Trustee as their sole source of information.

The Trustee expressly reserves all rights under the Indenture, including, without limitation, its right to payment in full of all fees and costs (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing or to become owing to the Trustee, compensation for Trustee time spent and reimbursement for fees and costs of counsel and other agents it employs in performing its duties or to pursue remedies) prior to any distribution to Holders or other parties, as provided in and subject to the applicable terms of the Indenture, and its right, prior to exercising any rights or powers vested in it by the Indenture at the request or direction of any of the Holders, to receive security or indemnity satisfactory to it against all costs, expenses and liabilities which might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

This notice is being sent to Holders by U.S. Bank Trust Company, National Association in its capacity as Trustee. Holders with questions regarding this notice should direct their inquiries, in writing, to: John DaSilva, U.S. Bank Trust Company, National Association, Global Corporate Trust, 214 N. Tryon Street, 26th Floor, Charlotte, North Carolina 28202, telephone (617) 603-6773, or via email at john.dasilva@usbank.com.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Trustee**

May 26, 2023

SCHEDULE A

Barings CLO Ltd. 2018-III
c/o MaplesFS Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KYI-1102, Cayman Islands
Attention: The Directors
Email: cayman@maples.com

Barings CLO 2018-III, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
Attention: Donald J. Puglisi
Email: dpuglisi@puglisiassoc.com

Barings LLC
300 South Tryon Street, Suite 2500
Charlotte, North Carolina 28202
Attention: Nikolas Ortega
Email: Nikolas.Ortega@barings.com;
CPSCLOUS@barings.com

Moody's Investors Service, Inc.
Email: cdomonitoring@moodys.com

S&P Global Ratings
Email: cdo_surveillance@spglobal.com

Information Agent
Email: Barings.2018.III.17g5@usbank.com

legalandtaxnotices@dtcc.com
eb.ca@euroclear.com
CA_Luxembourg@clearstream.com
ca_mandatory.events@clearstream.com

The Cayman Islands Stock Exchange
PO Box 2408
Grand Cayman KY1-1105
Cayman Islands
Email: listing@csx.ky

Exhibit A

[Proposed Second Supplemental Indenture]

SECOND SUPPLEMENTAL INDENTURE

dated as of [], 2023

among

**BARINGS CLO LTD. 2018-III
as Issuer**

**BARINGS CLO 2018-III, LLC
as Co-Issuer**

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee**

to

the Indenture, dated as of June 14, 2018, among the Co-Issuers and the Trustee

THIS SECOND SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of [], 2023, among Barings CLO Ltd. 2018-III, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), Barings CLO 2018-III, LLC, a limited liability company formed under the laws of the State of Delaware (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (in such capacity, the “Trustee”), hereby amends the Indenture, dated as of June 14, 2018 (as amended by that certain first supplemental indenture, dated as of September 10, 2020, the “Indenture”), among the Issuer, the Co-Issuer and the Trustee. Capitalized terms used in this Supplemental Indenture that are not otherwise defined herein have the meanings assigned thereto in the Indenture.

W I T N E S S E T H

WHEREAS, the Collateral Manager may propose a Reference Rate Amendment if LIBOR is no longer reported or updated on the Reuters Screen, a material disruption to LIBOR or a change in the methodology of calculating LIBOR has occurred, or (B) at least 50% (by par amount) of (1) quarterly pay floating rate Collateral Obligations or (2) floating rate collateralized loan obligation notes issued in the preceding three months rely on reference rates other than LIBOR;

WHEREAS, the Collateral Manager expects a material disruption to LIBOR or a change in the methodology of calculating LIBOR to occur on June 30, 2023 and the Collateral Manager has determined that the Reference Rate and the Designated Reference Rate will be the sum of Term SOFR and the applicable Reference Rate Modifier commencing as of the Interest Determination Date relating to the Interest Accrual Period commencing in July 2023;

WHEREAS, Trading Association and the Loan Syndications and Trading Association has recognized or acknowledged that the adjustment for three-month Term SOFR is 0.26161% in order to cause such rate to be comparable to the three month LIBOR;

WHEREAS, pursuant to Section 8.3(i) of the Indenture, the Collateral Manager may propose a Reference Rate Amendment if LIBOR is no longer reported or updated on the Reuters Screen, a material disruption to LIBOR or a change in the methodology of calculating LIBOR has occurred, or (B) at least 50% (by par amount) of (1) quarterly pay floating rate Collateral Obligations or (2) floating rate collateralized loan obligation notes issued in the preceding three months rely on reference rates other than LIBOR and the Co-Issuers and the Trustee shall execute such proposed Reference Rate Amendment (and make related changes necessary to implement the use of such replacement rate) without the consent of any holders if the proposed Reference Rate is a Designated Reference Rate;

WHEREAS, the Issuer has determined that the conditions set forth in Article VIII of the Indenture for entry into this Supplemental Indenture have been satisfied as of the date hereof;

WHEREAS, pursuant to Section 8.3(b) of the Indenture, the Trustee has delivered a copy of this Supplemental Indenture to the holders of the Notes and the Rating Agencies not later than fifteen Business Days prior to the execution hereof; and

WHEREAS, the parties hereto intend for the amendments set forth herein to take effect on June 30, 2023 or on such earlier date that the Collateral Manager notifies the Trustee (which may be via email) (the “Amendment Effective Date”);

NOW, THEREFORE, based upon the above recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, hereby agree as follows:

SECTION 1. Amendments. The Indenture is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the Indenture attached as Exhibit A hereto, effective as of the Amendment Effective Date. For the avoidance of doubt, the Secured Notes will continue to accrue interest using LIBOR as the Reference Rate for the remainder of the Interest Accrual Period following the Amendment Effective Date.

SECTION 2. Effect of Supplemental Indenture.

(a) Upon execution of this Supplemental Indenture, the Indenture shall be, and be deemed to be, modified and amended, effective as of the Amendment Effective Date, in accordance herewith and the respective rights, limitations, obligations, duties, liabilities and immunities of the Co-Issuers shall hereafter be determined, exercised and enforced subject in all respects to such modifications and amendments, and all the terms and conditions of this Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes. Except as modified and expressly amended by this Supplemental Indenture, the Indenture is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

(b) Except as expressly modified herein, the Indenture shall continue in full force and effect in accordance with its terms. All references in the Indenture to the Indenture or to “this Indenture” shall apply *mutatis mutandis* to the Indenture as modified by this Supplemental Indenture. The Trustee shall be entitled to all rights, protections, immunities and indemnities set forth in the Indenture as fully as if set forth in this Supplemental Indenture.

SECTION 3. Binding Effect.

The provisions of this Supplemental Indenture shall be binding upon and inure to the benefit of the Co-Issuers, the Trustee, the Collateral Manager, the Collateral Administrator, the Holders and each of their respective successors and assigns.

SECTION 4. Acceptance by the Trustee.

The Trustee accepts the amendments to the Indenture as set forth in this Supplemental Indenture and agrees to perform the duties of the Trustee upon the terms and conditions set forth herein and in the Indenture, subject to its protections, immunities and indemnities set forth therein and herein. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of the Co-Issuers and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Supplemental Indenture and makes no representation with respect thereto.

SECTION 5. Execution, Delivery and Validity.

The Issuer and the Co-Issuer each represents and warrants to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by the Issuer or the Co-Issuer, as applicable, and constitutes its legal, valid and binding obligation, enforceable against the Issuer and the Co-Issuer in accordance with its terms. If the Collateral Manager provides written notice to the Trustee (which may be via email) that the Amendment Effective Date has occurred prior to June 30, 2023, the Trustee shall forward such notice to the Holders by posting it to its Website.

SECTION 6. GOVERNING LAW.

THIS SUPPLEMENTAL INDENTURE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Counterparts.

This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Supplemental Indenture (and each related document, modification and waiver in respect of this Supplemental Indenture) may be executed and delivered in counterparts (including by facsimile or electronic transmission (including .pdf file, .jpeg file or any electronic signature complying with the U.S. federal ESIGN Act of 2000, including Orbit, Adobe Sign, DocuSign, or any other similar platform identified by the Issuer and reasonably available at no undue burden or expense to the Trustee), each of which shall be deemed an original, and all of which together constitute one and the same instrument. Delivery of an executed counterpart signature page of this Supplemental Indenture by facsimile or any such electronic transmission shall be effective as delivery of a manually executed counterpart of this Supplemental Indenture and shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law. Any electronically signed document delivered via email from a person purporting to be an authorized officer shall be considered signed or executed by such authorized officer on behalf of the applicable person. The Trustee shall have no duty to inquire into or investigate the authenticity or authorization of any such electronic signature and shall be entitled to conclusively rely on any such electronic signature without any liability with respect thereto.

SECTION 8. Limited Recourse; Non-Petition.

Notwithstanding any other provision of this Supplemental Indenture, Sections 2.7(i) and 5.4(d) of the Indenture are incorporated herein by reference thereto, *mutatis mutandis*.

SECTION 9. Direction.

By their signatures hereto, the Co-Issuers hereby direct the Trustee to execute this Supplemental Indenture and acknowledge and agree that the Trustee shall be fully protected in relying upon the foregoing consent and direction and hereby release the Trustee and its respective officers, directors, agents, employees and shareholders, as applicable, from any liability for complying with such direction.

SECTION 10. Collateral Manager Notice.

The Collateral Manager, by its execution of this Supplemental Indenture, hereby notifies the Issuer, Collateral Administrator, the Calculation Agent, the Trustee and the Holders that it expects a material disruption to LIBOR or a change in the methodology of calculating LIBOR to occur on or after June 30, 2023 (unless otherwise notified by the Collateral Manager prior to such date) and the Reference Rate and the Designated Reference Rate will be the sum of Term SOFR and the applicable Reference Rate Modifier and hereby certifies to the Trustee and the Collateral Administrator that the conditions specified in clauses (i) or (ii) of the first sentence of Section 8.3(i) of the Indenture and the definition of Designated Reference Rate have been satisfied. The Collateral Manager hereby instructs and directs the Trustee to provide a copy of this Supplemental Indenture to each Holder and the parties set forth in Section 8.3 of the Indenture.

IN WITNESS WHEREOF, we have set our hands as of the day and year first written above.

Executed as a Deed by:

BARINGS CLO LTD. 2018-III, as Issuer

By: _____

Name:

Title:

BARINGS CLO 2018-III, LLC, as Co-Issuer

By: _____

Name:

Title:

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee**

By: _____
Name:
Title:

CONSENTED TO BY:

BARINGS LLC,
as Collateral Manager

By: _____

Name:

Title:

ACKNOWLEDGED AND AGREED BY:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Collateral Administrator and Calculation Agent

By: _____
Name:
Title:

Exhibit A

[Attached]

INDENTURE

between

BARINGS CLO LTD. 2018-III
Issuer

BARINGS CLO 2018-III, LLC
Co-Issuer

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Trustee

Dated June 14, 2018

THIS INDENTURE, dated as of June 14, 2018, between Barings CLO Ltd. 2018-III, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), Barings CLO 2018-III, LLC, a Delaware limited liability company (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and U.S. Bank [Trust Company, National Association](#) ([as successor in interest to U.S. Bank National Association](#)), as trustee (herein, together with its permitted successors and assigns in the trusts hereunder, the “Trustee”).

PRELIMINARY STATEMENT

The Co-Issuers are duly authorized to execute and deliver this Indenture to provide for the Notes issuable as provided in (or, in the case of the Assumed Subordinated Notes, subject to the terms of) this Indenture. Except as otherwise provided herein, all covenants and agreements made by the Co-Issuers herein are for the benefit and security of the Secured Parties. The Co-Issuers are entering into this Indenture, and the Trustee is accepting the trusts created hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

All things necessary to make this Indenture a valid agreement of the Co-Issuers in accordance with the agreement’s terms have been done.

GRANTING CLAUSES

I. The Issuer hereby Grants to the Trustee, for the benefit and security of the Holders of the Secured Notes, the Trustee, the Collateral Manager, the Administrator and the Collateral Administrator (collectively, the “Secured Parties”), all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, in each case as defined in the UCC, accounts, chattel paper, commercial tort claims, deposit accounts, documents, financial assets, general intangibles, goods, instruments, investment property, letter-of-credit rights and other property of any type or nature in which the Issuer has an interest, including all proceeds (as defined in the UCC) with respect to the foregoing (subject to the exclusions noted below, the “Assets” or the “Collateral”).

Such Grants will include, but are not limited to, the Issuer’s interest in and rights under:

(a) the Collateral Obligations and Equity Securities and all payments thereon or with respect thereto;

(b) each of the Accounts, including any Eligible Investments purchased with funds on deposit in any of the Accounts, and all income from the investment of funds therein;

(c) the Collateral Management Agreement, the Collateral Administration Agreement, the Administration Agreement, the AML Services Agreement, the Account Agreement, the Agreement Among Investors and Issuers, the Asset Purchase and Assumption Agreement and the Registered Office Terms;

(d) all Cash;

person) of the authority of any other party as conclusive evidence of the authority of any person to act, and such certification may be considered as in full force and effect until receipt by such other party of written notice to the contrary.

“Balance”: On any date, with respect to Cash or Eligible Investments in any account, the aggregate of the (i) current balance of Cash, demand deposits, time deposits, certificates of deposit and federal funds; (ii) principal amount of interest-bearing corporate and government securities, money market accounts and repurchase obligations; and (iii) purchase price (but not greater than the face amount) of non-interest-bearing government and corporate securities and commercial paper.

“Bank”: U.S. Bank [Trust Company](#), National Association ([as successor in interest to U.S. Bank National Association](#)) or [U.S. Bank National Association](#), as applicable, or any successor thereto.

“Bankruptcy Exchange”: The use of the Sale Proceeds from the sale of a Defaulted Obligation (without the payment of any additional funds other than reasonable and customary transfer costs) to purchase another debt obligation issued by another Obligor which, but for the fact that such debt obligation is a Defaulted Obligation or a Credit Risk Obligation, would otherwise qualify as a Collateral Obligation and (i) in the Collateral Manager’s reasonable business judgment, at the time of sale, such debt obligation received has a better likelihood of recovery than the Defaulted Obligation to be purchased, (ii) as determined by the Collateral Manager, at the time of the purchase, the debt obligation purchased is no less senior in right of payment vis-à-vis such Obligor’s other outstanding indebtedness than the Defaulted Obligation to be exchanged vis-à-vis its Obligor’s other outstanding indebtedness, (iii) as determined by the Collateral Manager, both prior to and after giving effect to such purchase, each of the Coverage Tests is satisfied or, if any Coverage Test was not satisfied prior to such purchase, the coverage ratio relating to such test will be at least as close to being satisfied after giving effect to such purchase as it was before giving effect to such purchase, (iv) as determined by the Collateral Manager, both prior to and after giving effect to such purchase, not more than 5.0% of the Collateral Principal Amount consists of obligations received in a Bankruptcy Exchange, (v) the period for which the Issuer held the Defaulted Obligation to be sold will be included for all purposes in this Indenture when determining the period for which the Issuer holds the debt obligation purchased and (vi) the Bankruptcy Exchange Test is satisfied.

“Bankruptcy Exchange Test”: A test that is satisfied if, in the Collateral Manager’s reasonable business judgment, the projected internal rate of return of the obligation purchased in the applicable Bankruptcy Exchange is greater than the projected internal rate of return of the Defaulted Obligation sold in such Bankruptcy Exchange, calculated by the Collateral Manager by aggregating all cash and the market value of any Collateral Obligation subject to such Bankruptcy Exchange at the time of such Bankruptcy Exchange.

“Bankruptcy Law”: The federal Bankruptcy Code, Title 11 of the United States Code, as amended from time to time, Part V of the Companies Law (2018 Revision) of the Cayman Islands, as amended from time to time, the Bankruptcy Law (1997 Revision) of the Cayman Islands, as amended from time to time, and the Foreign Bankruptcy Proceedings (International Cooperation) Rules, 2018 of the Cayman Islands, as amended from time to time.

“Collateral Administrator”: U.S. Bank [Trust Company](#), National Association, in its capacity as collateral administrator under the Collateral Administration Agreement, and any successor thereto.

“Collateral Interest Amount”: As of any date of determination, without duplication, the aggregate amount of Interest Proceeds that has been received or that is expected to be received (other than Interest Proceeds expected to be received from Defaulted Obligations and Deferring Obligations, but including Interest Proceeds actually received from Defaulted Obligations and Deferring Obligations), in each case during the Collection Period in which such date of determination occurs (or after such Collection Period but on or prior to the related Payment Date, if such Interest Proceeds would be treated as Interest Proceeds with respect to such Collection Period).

“Collateral Management Agreement”: The agreement dated as of the Closing Date entered into between the Issuer and the Collateral Manager relating to the management of the Collateral Obligations and the other Assets by the Collateral Manager on behalf of the Issuer, as amended from time to time in accordance with the terms hereof and thereof.

“Collateral Manager”: Barings LLC, a Delaware limited liability company, until a successor Person shall have become the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, and thereafter Collateral Manager shall mean such successor Person.

“Collateral Manager Notes”: As of any date of determination, (a) all Notes held on such date by (i) the Collateral Manager, (ii) any Affiliate of the Collateral Manager or (iii) any account, fund, client or portfolio managed or advised on a discretionary basis by the Collateral Manager or any of its Affiliates and (b) all Notes as to which economic exposure is held on such date (whether through any derivative financial transaction or otherwise) by any Person identified in the foregoing clause (a).

“Collateral Obligation”: A Senior Secured Loan, Second Lien Loan or Unsecured Loan (including, but not limited to, an interest in bank loans acquired by way of a purchase, assignment or Participation Interest) that as of the date on which the Issuer commits to acquire:

- (i) is U.S. Dollar denominated and is neither convertible by the issuer thereof into, nor payable in, any other currency;
- (ii) other than a Closing Date Participation or any obligation acquired in connection with a Bankruptcy Exchange, is not a Defaulted Obligation or a Credit Risk Obligation;
- (iii) is not a lease (including a Finance Lease);
- (iv) is not a Bond, Deferrable Obligation or Interest Only Security;
- (v) provides (in the case of a Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, with respect to amounts drawn

(xvii) if a Floating Rate Obligation, accrues interest at a floating rate determined by reference to (a) the Dollar prime rate, federal funds rate or ~~LIBOR~~ Libor or (b) a similar interbank offered rate or commercial deposit rate or (c) any other then-customary index;

(xviii) is Registered;

(xix) is not a Synthetic Security;

(xx) does not pay interest less frequently than semi-annually;

(xxi) (A) is issued by Non-Emerging Market Obligors or obligors Domiciled in Tax Jurisdictions; and (B) is not a Small Obligor Loan;

(xxii) is not a Letter of Credit Reimbursement Obligation and does not include or support a letter of credit;

(xxiii) except for a Closing Date Participation, is purchased at a price at least equal to 50.0% of par; and

(xxiv) does not have an S&P Industry Classification of "Tobacco".

"Collateral Principal Amount": As of any date of determination, the sum of (a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations) and (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds.

"Collateral Quality Test": A test that will be satisfied on any date of determination on and after the Effective Date if, each of the tests set forth below is satisfied (or, if not satisfied on such date of determination, the degree of compliance with such test is maintained or improved after giving effect to any purchase or sale effected on such date of determination). Each such test will be calculated in each case as required by Section 1.2 herein.

(i) the Minimum Floating Spread Test;

(ii) the Minimum Weighted Average Coupon Test;

(iii) the Maximum Moody's Rating Factor Test;

(iv) the Moody's Diversity Test;

(v) the Minimum Weighted Average Moody's Recovery Rate Test;

(vi) the S&P CDO Monitor Test;

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

(viii) the Weighted Average Life Test.

(xvi) not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations from obligors which have total potential indebtedness (under loan agreements, indentures and other instruments governing such obligor's indebtedness) with an aggregate principal amount, whether drawn or undrawn, of at least equal to \$150,000,000 but less than \$250,000,000 (other than Collateral Obligations received by the Issuer in a workout).

“Confidential Information”: The meaning specified in Section 14.15(b).

“Contribution”: The meaning specified in Section 11.3.

“Contribution Notice”: The meaning specified in Section 11.3.

“Contribution Repayment Amount”: The meaning specified in Section 11.3.

“Contributor”: Each Holder of Subordinated Notes that elects to make a Contribution and whose Contribution is accepted.

“Controlling Class”: The Class A-1 Notes so long as any Class A-1 Notes are Outstanding; then the Class A-2 Notes so long as any Class A-2 Notes are Outstanding; then the Class B Notes so long as any Class B Notes are Outstanding; then the Class C Notes so long as any Class C Notes are Outstanding; then the Class D Notes so long as any Class D Notes are Outstanding; then the Class E Notes so long as any Class E Notes are Outstanding; then the Class F Notes so long as any Class F Notes are Outstanding; and then the Subordinated Notes. The Class X Notes shall not constitute the Controlling Class at any time.

“Controlling Person”: A Person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or any Person who provides investment advice for a fee (direct or indirect) with respect to such assets or an affiliate of any such Person. For this purpose, an “affiliate” of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the person. “Control,” with respect to a person other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

“Corporate Trust Office”: The corporate trust office of the Trustee (a) for Note transfer purposes and presentment of the Notes for final payment thereon, U.S. Bank [Trust Company](#), National Association, 111 Fillmore Avenue East, St. Paul, Minnesota 55107-1402, Attention: Bondholder Services – EP-MN-WS2N – Barings CLO Ltd. 2018-III and (b) for all other purposes, U.S. Bank [Trust Company](#), National Association, 214 N. Tryon Street, 26th Floor, Charlotte, NC 28202, Attention: Global Corporate Trust ~~Services~~—Barings CLO Ltd. 2018-III or such other address as the Trustee may designate from time to time by notice to the Holders, the Collateral Manager and the Issuer or the principal corporate trust office of any successor Trustee.

“Cov-Lite Loan”: A Loan that: (a) does not contain any financial covenants; or (b) requires the underlying obligor to comply with an Incurrence Covenant, but does not require the underlying obligor to comply with a Maintenance Covenant; provided that, except for

(or, in the case of a Class that is being redeemed on a Partial Redemption Date, to but excluding such Partial Redemption Date) until the principal of such Class of Secured Notes is paid or made available for payment; provided that any interest-bearing notes issued after the Closing Date in accordance with the terms of this Indenture shall accrue interest during the Interest Accrual Period in which such Additional Notes are issued from and including the applicable date of issuance of such Additional Notes to but excluding the last day of such Interest Accrual Period at the applicable Interest Rate; provided, further, that for purposes of determining any Interest Accrual Period in the case of any Fixed Rate Notes, the Payment Date shall be assumed to be the 20th day of the relevant month (irrespective of whether such day is a Business Day).

“Interest Collection Account”: The meaning specified in Section 10.2(a).

“Interest Coverage Ratio”: For any designated Class or Classes of Secured Notes, as of any date of determination, the percentage derived from the following equation: $(A - B) / C$, where:

A = The Collateral Interest Amount as of such date of determination;

B = Amounts payable (or expected as of the date of determination to be payable) on the following Payment Date as set forth in clauses (A) and (B) in the Priority of Interest Proceeds; and

C = Interest due and payable on such Class or Classes and each Priority Class or Pari Passu Class, in each case, excluding Secured Note Deferred Interest but including any interest thereon on such Payment Date.

“Interest Coverage Test”: A test that will be satisfied with respect to any Class or Classes of Secured Notes (other than the Class X Notes, the Class E Notes and the Class F Notes) as of any Measurement Date on and after the second Determination Date if (i) the applicable Interest Coverage Ratio for such Class or Classes on such date is at least equal to the Required Interest Coverage Ratio for such Class or Classes or (ii) such Class or Classes of Secured Notes is no longer Outstanding.

“Interest Determination Date”: ~~(a) With respect to the first Interest Accrual Period, (x) for the period from the Closing Date to but excluding the Interest Determination First Period End Date, the second London Banking Day preceding the Closing Date, and (y) for the remainder of the first Interest Accrual Period, the second London Business Day preceding the Interest Determination First Period End Date, and (b) with respect to each Interest Accrual Period thereafter, the second London Banking~~ The second U.S. Government Securities Business Day preceding the first day of such Interest Accrual Period.

“Interest Determination First Period End Date”: July 20, 2018.

“Interest Diversion Test”: A test that will be satisfied as of any date of determination during the Reinvestment Period on which Class F Notes are Outstanding if the Overcollateralization Ratio with respect to the Class F Notes as of such date of determination is at least equal to 103.0%.

“IRS”: The United States Internal Revenue Service.

“Issuer”: The Person named as such on the first page of this Indenture until a successor Person shall have become the Issuer pursuant to the applicable provisions of this Indenture, and thereafter “Issuer” shall mean such successor Person.

“Issuer Only Notes”: The Class E Notes, the Class F Notes and the Subordinated Notes.

“Issuer Order” and “Issuer Request”: A written order or request (which may be a standing order or request) dated and signed in the name of the Issuer or the Co-Issuer by an Authorized Officer of the Issuer or the Co-Issuer, as applicable, or by the Collateral Manager by an Authorized Officer thereof, on behalf of the Issuer. For the avoidance of doubt, an order or request provided in an email or other electronic communication acceptable to the Trustee sent by an Authorized Officer of the Issuer or Co-Issuer or by an Authorized Officer of the Collateral Manager on behalf of the Issuer or the Co-Issuer shall constitute an Issuer Order, in each case except to the extent that the Trustee requests otherwise. For purposes of Section 10.8 and Article XII, the delivery to the Trustee of a final trade ticket from the Collateral Manager in respect of the sale of an Asset will constitute the required Issuer Order.

“Issuer Subsidiary”: An entity treated as a corporation for U.S. federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

“Junior Class”: With respect to a particular Class of Notes, each Class of Notes identified as such in Section 2.3.

“Junior Mezzanine Notes”: Any Notes of any one or more new classes that are fully subordinated to the existing Secured Notes (or to the most Junior Class of Notes of the Issuer (other than the Subordinated Notes)) issued pursuant to this Indenture and senior to the Subordinated Notes.

“Letter of Credit Reimbursement Obligation”: A facility whereby (i) a fronting bank that, at the time of acquisition of such Letter of Credit Reimbursement Obligation by a lender party or the lender party’s commitment to acquire the same issues or will issue a letter of credit for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) in the event that such letter of credit is drawn upon, and the borrower does not reimburse such bank, the lender/participant is obligated to fund its portion of the facility, (iii) such bank passes on (in whole or in part) the fees and any other amounts it receives for providing such letter of credit to the lender/participant and (iv) the related Underlying Instruments require the lender party to fully collateralize the Issuer’s obligations to the related bank or obligate the lender party to make a deposit into a trust in an aggregate amount equal to the related commitment amount.

“Libor”: [The London interbank offered rate.](#)

~~“LIBOR”: With respect to the Floating Rate Notes, LIBOR for each Interest Accrual Period will be equal to (i) the rate appearing on the Reuters Screen for deposits with a~~

~~term of the Index Maturity or (ii) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Collateral Manager (the “Reference Banks”) at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Aggregate Outstanding Amount of the Floating Rate Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100). If fewer than two quotations are provided as requested, LIBOR with respect to such Interest Accrual Period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Collateral Manager at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the Aggregate Outstanding Amount of the Floating Rate Notes. If the Calculation Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, and for so long as LIBOR is the Reference Rate in accordance with the definition of “Reference Rate,” LIBOR will be (x) for the two Interest Determination Dates following the last Interest Determination Date that LIBOR was determined. LIBOR as determined on such last Interest Determination Date and (y) thereafter, reset at the prime rate as reported by The Wall Street Journal on each subsequent Interest Determination Date.~~

~~Notwithstanding the foregoing, from and after the first Interest Accrual Period to begin on or after either (x) the effective date determined by the Collateral Manager on which a Designated Reference Rate shall replace LIBOR or (y) the execution and effectiveness of a Reference Rate Amendment that shall replace LIBOR with an Alternate Reference Rate: (i) the Reference Rate with respect to the Floating Rate Notes will be calculated by reference to such Designated Reference Rate or Alternate Reference Rate, as applicable and (ii) if the Designated Reference Rate or the Alternate Reference Rate to replace LIBOR is the same benchmark rate currently in effect for determining interest on a Floating Rate Obligation, such Designated Reference Rate or Alternate Reference Rate, as applicable, shall be used in determining the Aggregate Funded Spread in accordance with the definition thereof. From and after the effective date on which a replacement of LIBOR as the Reference Rate has occurred in accordance with this Indenture, all references herein to “LIBOR” will mean either the Designated Reference Rate or the Alternate Reference Rate selected by the Collateral Manager, as applicable.~~

~~With respect to a Collateral Obligation, LIBOR means the “libor” rate determined in accordance with the terms of such Collateral Obligation.~~

~~“Loan”: Any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.~~

~~“London Banking Day”: A day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.~~

“Permitted Use Available Funds”: On any date of determination, amounts on deposit in the Permitted Use Account representing Contributions or Supplemental Reserve Amounts and any proceeds of an issuance of additional Subordinated Notes and/or Junior Mezzanine Notes.

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

“Petition Expenses”: The meaning specified in Section 13.1(c).

“Plan Asset Entity”: Any entity whose underlying assets are deemed to include “plan assets” by reason of an employee benefit plan’s or a plan’s investment in the entity within the meaning of the Plan Asset Regulation.

“Plan Asset Regulation”: Regulations promulgated by the United States Department of Labor at 29 C.F.R. Section 2510.3 101, as modified by Section 3(42) of ERISA.

“Portfolio Seller”: Babson CLO Ltd. 2014-III, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

“Portfolio Seller Indenture”: That certain Indenture, dated as of November 18, 2014, among the Portfolio Seller, as issuer, the entity party thereto as the co-issuer, and the U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee, as amended, modified or supplemented.

“Post-Reinvestment Period Substitution Criteria”: The meaning specified in Section 12.2(b).

“Principal Balance”: Subject to Section 1.2, with respect to (a) any Asset other than a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Asset (excluding any capitalized interest) and (b) any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation (excluding any capitalized interest), plus, for all purposes (including calculation of the Coverage Tests and the Interest Diversion Test), any undrawn commitments that have not been irrevocably reduced or withdrawn with respect to such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation; provided that for all purposes the Principal Balance of (1) any Equity Security or interest only strip shall be deemed to be zero and (2) any Defaulted Obligation that is not sold or terminated within three years after becoming a Defaulted Obligation shall be deemed to be zero.

“Principal Collection Account”: The meaning specified in Section 10.2(a).

(if the Collateral Manager is not the designating party) and Holders of such Notes will also be a Redemption Date for the related redemption and such proceeds will be applied as follows (i) at the direction of the Collateral Manager in its sole discretion, to the Expense Reserve Account in amount not to exceed U.S.\$250,000 (or such higher amount as agreed to between the Collateral Manager and a Majority of the Subordinated Notes) and (ii) any remaining amounts to be distributed in accordance with the Priority of Payments.

“Redemption Price”: With respect to (a) each Secured Note (x) 100% of the Aggregate Outstanding Amount of such Secured Note, *plus* (y) accrued and unpaid interest thereon (including interest on any accrued and unpaid Secured Note Deferred Interest, in the case of the Deferred Interest Secured Notes) to the Redemption Date *plus* (z) solely for the Class A-1 Notes in the case of an Optional Redemption of all Classes of Secured Notes or a Partial Refinancing of the Class A-1 Notes, in either case prior to the Class A-1 Make-Whole End Date, the Class A-1 Make-Whole Amount with respect to the Class A-1 Notes and (b) each Subordinated Note, its proportional share (based on the Aggregate Outstanding Amount of the Subordinated Notes) of the portion of the proceeds that is distributable to the Subordinated Notes pursuant to the Priority of Payments; provided that, if Holders of 100% of the Aggregate Outstanding Amount of any Class of Secured Notes elect to receive less than 100% of the Redemption Price that would otherwise be payable to the Holders of such Class, such lower amount will be the Redemption Price of such Class.

~~“Reference Banks”: The meaning specified in the definition of LIBOR.~~

“Reference Rate”: For each Class of Secured Notes and each Interest Accrual Period, the greater of (x) zero and (y) (i) ~~LIBOR~~Term SOFR plus 0.26161%, (ii) the Designated Reference Rate upon written notice by the Collateral Manager certifying that the conditions specified in clauses (i) or (ii) of the first sentence of Section 8.3(i) and the definition of Designated Reference Rate have been satisfied to the Trustee (who will forward such notice to the Holders and each Rating Agency) and the Collateral Administrator or (iii) the Alternate Reference Rate adopted in a Reference Rate Amendment; provided, that following a change from ~~LIBOR~~the then-current Reference Rate to either a Designated Reference Rate or an Alternate Reference Rate, such rate will apply commencing on the first Business Day of the Interest Accrual Period related to the Interest Determination Date next following the effective date of change to such rate. For the avoidance of doubt, the Calculation Agent shall be required to calculate the Interest Rates for each Interest Accrual Period on each relevant determination date after the election of a ~~non-LIBOR~~non-Term SOFR Reference Rate.

“Reference Rate Amendment”: A supplemental indenture to elect a ~~non-LIBOR~~non-Term SOFR Reference Rate with respect to the Floating Rate Notes (and make related changes advisable or necessary to implement the use of such replacement rate, including any Reference Rate Modifier) pursuant to Section 8.3(i).

“Reference Rate Modifier”: Any modifier recognized or acknowledged by LSTA that is applied to a reference rate in order to cause such rate to be comparable to ~~3-month LIBOR~~the then-current Reference Rate, which may consist of an addition to or subtraction from such unadjusted rate.

11	689,156,228.34	29	670,784,364.90	47	652,902,267.58
12	688,122,494.00	30	669,778,188.36	48	651,922,914.17
13	687,090,310.26	31	668,773,521.07	49	650,945,029.80
14	686,059,674.79	32	667,770,360.79	50	649,968,612.20
15	685,030,585.28	33	666,768,705.25	51	648,993,659.34
16	684,003,039.40	34	665,768,552.19	52	648,020,168.80
17	682,977,034.84	35	664,769,899.36		
18	681,952,569.29	36	663,772,744.52		

~~“Reuters Screen”: The Reuters Page LIBOR-01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.~~

“Revolver Funding Account”: The account established pursuant to Section 10.4(a).

“Revolving Collateral Obligation”: Any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a Loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines, unfunded commitments under specific facilities and other similar loans) that by its terms may require one or more future advances to be made to the borrower by the Issuer; provided that any such Collateral Obligation will be a Revolving Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or irrevocably reduced to zero.

“Rule 144A”: Rule 144A, as amended, under the Securities Act.

“Rule 144A Global Note”: A Note issued as a permanent global note in definitive, fully registered form without interest coupons and sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Note is both a Qualified Institutional Buyer and a Qualified Purchaser.

“Rule 144A Information”: The meaning specified in Section 7.15.

“Rule 17g-5”: Rule 17g-5 under the Exchange Act.

“Rule 17g-5 Information”: The meaning specified in Section 14.3(d).

“Selling Institution Collateral”: The meaning specified in Section 10.4(a).

“Senior Secured Loan”: Any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the Obligor of the Loan (other than with respect to trade claims, capitalized leases or similar obligations); (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the Obligor’s obligations under the Loan; and (c) the value of the collateral securing the Loan together with other attributes of the Obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral.

“SIFMA Website”: [The internet website of the Securities Industry and Financial Markets Association, currently located at https://www.sifma.org/resources/general/holidayschedule, or such successor website as identified by the Collateral Manager to the Trustee and the Calculation Agent.](https://www.sifma.org/resources/general/holidayschedule)

“Similar Law”: Any state, local, other federal or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code.

“Small Obligor Loan”: As of any date of determination, any Loan the Obligor of which has total potential indebtedness (under loan agreements, indentures and other instruments governing such Obligor’s indebtedness) with an aggregate principal amount, whether drawn or undrawn, of less than U.S.\$150,000,000 as of such date of determination.

“SOFR”: [With respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, \(or a successor administrator\) on the Federal Reserve Bank of New York’s Website \(or a successor location\).](#)

“Special Redemption”: As defined in Section 9.6.

“Specified Amendment”: With respect to any Collateral Obligation that is the subject of a rating estimate by Moody’s, any waiver, modification, amendment or variance that would:

(a) modify the amortization schedule with respect to such Collateral Obligation in a manner that:

(i) reduces the Dollar amount of any Scheduled Distribution by more than the greater of (x) 20% and (y) \$250,000;

jurisdiction has a foreign currency country ceiling rating of at least “Aa2” by Moody’s or (b) upon satisfaction of the Moody’s Rating Condition with respect to the treatment of another jurisdiction as a Tax Jurisdiction, such other jurisdiction.

“Tax Redemption”: The meaning specified in Section 9.3(a).

“Term SOFR Administrator”: CME Group Benchmark Administration Limited, or a successor administrator of the Term SOFR Reference Rate selected by the Collateral Manager with notice to the Trustee and the Collateral Administrator.

“Term SOFR”: The Term SOFR Reference Rate for the Index Maturity, as such rate is published by the Term SOFR Administrator; provided that if as of 5:00 p.m. (New York time) on any Interest Determination Date the Term SOFR Reference Rate for the Index Maturity has not been published by the Term SOFR Administrator, then Term SOFR will be (x) the Term SOFR Reference Rate for the Index Maturity as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for the Index Maturity was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than five Business Days prior to such Interest Determination Date or (y) if the Term SOFR Reference Rate for the Index Maturity cannot be determined in accordance with clause (x) of this proviso, then Term SOFR shall be the Term SOFR Reference Rate for the Index Maturity as determined on the previous Interest Determination Date.

“Term SOFR Reference Rate”: The forward-looking term rate based on SOFR.

“Third Party Credit Exposure”: As of any date of determination, the Principal Balance of each Collateral Obligation that consists of a Participation Interest (other than a Closing Date Participation).

“Third Party Credit Exposure Limits”: Limits that will be satisfied if the Third Party Credit Exposure with counterparties having the ratings below from S&P do not exceed the percentage of the Collateral Principal Amount specified below:

S&P’s credit rating of Selling Institution	Aggregate Percentage Limit	Individual Percentage Limit
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%
A- or below	0%	0%

provided, that a Selling Institution having an S&P credit rating of “A” must also have a short-term S&P rating of “A-1” otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0%.

“Unscheduled Principal Payments”: All Principal Proceeds received in respect of Collateral Obligations from optional or nonscheduled mandatory redemptions or amortizations, exchange offers, tender offers or other payments made at the option of the issuer thereof or that are otherwise not scheduled to be made.

“Unsecured Loan”: A senior unsecured Loan which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the Obligor under such Loan.

“U.S. Government Securities Business Day”: Any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities as indicated on the SIFMA Website.

“U.S. Risk Retention Rules”: The federal interagency credit risk retention rules, codified at 17 C.F.R. Part 246.

“Volcker Rule”: Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations promulgated thereunder.

“Weighted Average Coupon”: As of any Measurement Date, the number obtained by dividing:

- (a) the amount equal to the Aggregate Coupon; by
- (b) an amount equal to the Aggregate Principal Balance (including for this purpose any capitalized interest) of all Fixed Rate Obligations as of such Measurement Date.

“Weighted Average Floating Spread”: As of any Measurement Date, the number obtained by dividing: (a) the amount equal to (i) the Aggregate Funded Spread *plus* (ii) the Aggregate Unfunded Spread *plus* (iii) the Aggregate Excess Funded Spread; by (b) an amount equal to the lesser of (i) the Reinvestment Target Par Balance and (ii) an amount equal to the Aggregate Principal Balance (including for this purpose any capitalized interest) of all Floating Rate Obligations as of such Measurement Date; provided that, solely for the purposes of the S&P CDO Monitor Test (1) the Aggregate Excess Funded Spread shall not be included in the calculation of the amount described in clause (a) and (2) clause (b) shall in all cases be equal to the Aggregate Principal Balance (including for this purpose any capitalized interest) of all Floating Rate Obligations as of such Measurement Date.

“Weighted Average Life”: As of any date of determination with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

- (a) the Average Life at such time of each such Collateral Obligation, by
- (b) the Principal Balance of such Collateral Obligation,

Designation	Class X Notes	Class A-1 Notes	Class A-2 Notes	Class B-1 Notes	Class B-2-R Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Subordinated Notes
Interest Secured Notes										
Re-Pricing Eligible Secured Notes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
Stated Maturity										
(Payment Date in)	July 2029	July 2029	July 2029	July 2029	July 2029	July 2029	July 2029	July 2029	July 2029	July 2029
Minimum Denominations (Integral Multiples) (U.S.\$)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)	250,000(1)
Ranking:										
Priority Classes	None	None	X, A-1	X, A-1, A-2	X, A-1, A-2	X, A-1, A-2, B-1, B-2	X, A-1, A-2, B-1, B-2, C	X, A-1, A-2, B-1, B-2, C, D	X, A-1, A-2, B-1, B-2, C, D, E	X, A-1, A-2, B-1, B-2, C, D, E, F
Pari Passu Classes	A-1 ⁽³⁾	X ⁽³⁾	None	B-2	B-1	None	None	None	None	None
Junior Classes	A-2, B-1, B-2, C, D, E, F, Subordinated	A-2, B-1, B-2, C, D, E, F, Subordinated	B-1, B-2, C, D, E, F, Subordinated	C, D, E, F, Subordinated	C, D, E, F, Subordinated	D, E, F, Subordinated	E, F, Subordinated	F, Subordinated	Subordinated	None

- (1) The spread over the Reference Rate applicable to any Class of Re-Pricing Eligible Secured Notes may be reduced in connection with a Re-Pricing of such Class of Notes, subject to the conditions described under Section 9.8. The ~~initial~~ Reference Rate ~~shall be LIBOR, and LIBOR for each Interest Determination Date on or following the Amendment Effective Date (as defined in the Second Supplemental Indenture) shall be Term SOFR plus 0.26161%, and Term SOFR will be calculated by reference to the three-month LIBOR except (i) with respect to the first Interest Accrual Period, LIBOR will be set on two different Interest Determination Dates and, therefore, two different rates may apply during that period and (ii) Term SOFR Reference Rate~~ as otherwise set forth in the definition of "Index Maturity." The Reference Rate may be changed to an index other than ~~LIBOR~~ the then-current Reference Rate in accordance with the definition of Reference Rate.
- (2) Includes \$62,500,000 principal amount of Assumed Subordinated Notes which become governed by, and subject to the terms of, this Indenture on the Assumption Effective Date.
- (3) Interest on the Class X Notes will be paid *pari passu* with interest on the Class A-1 Notes. On any Payment Date following an Enforcement Event, any Redemption Date or on the Stated Maturity or to the extent of payments in accordance with the Secured Note Payment Sequence, principal of the Class X Notes will be *pari passu* with principal of the Class A-1 Notes. At all other times, principal of the Class X Notes will be paid prior to principal of the Class A-1 Notes in accordance with the Priority of Payments

Section 2.4 Execution, Authentication, Delivery and Dating. The Notes shall be executed on behalf of each of the Co-Issuers by one of their respective Authorized Officers. The signature of such Authorized Officer on the Notes may be manual or facsimile.

Notes bearing the manual or facsimile signatures of individuals who were at any time the Authorized Officers of the Issuer shall bind the Issuer and the Co-Issuer, as applicable, notwithstanding the fact that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of issuance of such Notes.

- (ii) Moody's RiskCalc Calculation model inputs;
- (iii) documentation that Pre-Qualifying Conditions (as defined in subparagraph 1 of the definition of Moody's RiskCalc Calculation) have been met;
- (iv) all model runs and mapped rating factors; and
- (v) documentation for any loan amendments or modifications.

Section 7.15 Reporting. At any time when the Co-Issuers are not subject to Section 13 or 15(d) of the Exchange Act and are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, upon the request of a Holder or beneficial owner of a Note, the Co-Issuers shall promptly furnish or cause to be furnished Rule 144A Information to such Holder or beneficial owner, to a prospective purchaser of such Note designated by such Holder or beneficial owner, or to the Trustee for delivery to such Holder or beneficial owner or a prospective purchaser designated by such Holder or beneficial owner, as the case may be, in order to permit compliance by such Holder or beneficial owner with Rule 144A under the Securities Act in connection with the resale of such Note. "Rule 144A Information" shall be such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

Section 7.16 Calculation Agent. (a) The Issuer hereby agrees that for so long as any Floating Rate Notes remain Outstanding there will at all times be an agent appointed (which does not control or is not controlled or under common control with the Issuer or its Affiliates or the Collateral Manager or its Affiliates) to calculate the Reference Rate in respect of each Interest Accrual Period or portion thereof (the "Calculation Agent"). The Issuer hereby appoints the Collateral Administrator as the Calculation Agent. The Calculation Agent may be removed by the Issuer or the Collateral Manager, on behalf of the Issuer, at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer or the Collateral Manager, on behalf of the Issuer, or if the Calculation Agent fails to determine the Interest Rates or Note Interest Amount of any Class of Floating Rate Notes, the Issuer or the Collateral Manager, on behalf of the Issuer, will promptly appoint a replacement Calculation Agent which does not control or is not controlled by or under common control with the Issuer or its Affiliates or the Collateral Manager or its Affiliates. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed. Without limiting the obligations of the Calculation Agent to follow the procedures set forth in the definition of "LIBORTerm SOFR", the Collateral Administrator, in its capacity as Calculation Agent shall not have any (i) responsibility for the selection of an alternative rate as a successor or replacement benchmark to LIBORTerm SOFR and shall be entitled to rely upon any designation of such a rate by the Collateral Manager and (ii) liability for any failure or delay in performing its duties hereunder as a result of the unavailability of a "LIBORTerm SOFR" rate as described in the definition thereof.

(b) The Calculation Agent shall be required to agree (and the Collateral Administrator as Calculation Agent pursuant to the Collateral Administration Agreement agrees) that, as soon as ~~possible~~practicable after ~~11:00~~5:00 a.m. ~~London~~Chicago time on each Interest

Determination Date, but in no event later than 11:00 a.m. New York time on the ~~London Banking~~ U.S. Government Securities Business Day immediately following each Interest Determination Date, the Calculation Agent will calculate the Interest Rate applicable to each Class of Floating Rate Notes during the related Interest Accrual Period and the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable on the related Payment Date in respect of such Class of Floating Rate Notes in respect of the related Interest Accrual Period. At such time, the Calculation Agent will communicate such rates and amounts to the Co-Issuers, the Trustee, each Paying Agent, the Collateral Manager, Euroclear and Clearstream. The Calculation Agent ~~will also specify to the Co-Issuers the quotations upon which the foregoing rates and amounts are based, and in any event the Calculation Agent~~ shall notify the Co-Issuers (with a copy to the Collateral Manager) before 5:00 p.m. (New York time) on every Interest Determination Date if it has not determined and is not in the process of determining any such Interest Rate or Note Interest Amount together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period will (in the absence of manifest error) be final and binding upon all parties.

Section 7.17 Certain Tax Matters. (a) The Co-Issuers will treat the Co-Issuers and the Notes as described in the "Certain U.S. Federal Income Tax Considerations" section of the Offering Circular for all U.S. federal, state and local income tax purposes and will take no action inconsistent with such treatment unless required by law.

(b) The Issuer and Co-Issuer shall prepare and file, and the Issuer shall cause each Issuer Subsidiary to prepare and file, or in each case shall hire accountants and the accountants shall cause to be prepared and filed (and, where applicable, delivered to the Issuer or Holders) for each taxable year of the Issuer, the Co-Issuer and the Issuer Subsidiary the federal, state and local income tax returns and reports as required under the Code, or any tax returns or information tax returns required by any governmental authority which the Issuer, the Co-Issuer or the Issuer Subsidiary are required to file (and, where applicable, deliver), and shall provide to each Holder any information that such holder reasonably requests in order for such Holder to (i) comply with its federal, state, or local tax return filing and information reporting obligations, (ii) make and maintain a "qualified electing fund" ("QEF") election (as defined in the Code) with respect to the Issuer and any Issuer Subsidiary (such information to be provided at the Issuer's expense), (iii) file a protective statement preserving such Holder's ability to make a retroactive QEF election with respect to the Issuer or any Issuer Subsidiary (such information to be provided at such Holder's expense), or (iv) comply with filing requirements that arise as a result of the Issuer being classified as a "controlled foreign corporation" for U.S. federal income tax purposes (such information to be provided at such Holder's expense); provided that neither the Issuer nor the Co-Issuer shall file, or cause to be filed, any income or franchise tax return in the United States or any state thereof on the basis that it is engaged in a trade or business within the United States for U.S. federal income tax purposes unless it shall have obtained an opinion or advice from Paul Hastings LLP or Dechert LLP, or an opinion of other nationally recognized U.S. tax counsel experienced in such matters, prior to such filing that, under the laws of such jurisdiction, the Issuer or Co-Issuer (as applicable) is required to file such income or franchise tax return.

(c) Notwithstanding any provision herein to the contrary, the Issuer shall take, and shall cause any Issuer Subsidiary to take, any and all actions that may be necessary or

Principal Proceeds on deposit in the Collection Account and, second, any amounts on deposit in the Ramp-Up Account and (ii) to pay for accrued interest on any such Collateral Obligation, any amounts on deposit in the Ramp-Up Account. In addition, the Issuer will use commercially reasonable efforts to acquire such Collateral Obligations that will satisfy or comply with, on the Effective Date, the Effective Date Tested Items.

(c) Within 20 Business Days after the Effective Date, the Issuer shall provide, or cause the Collateral Manager to provide to S&P, a Microsoft Excel file (the “Excel Default Model Input File”) that provides all of the inputs required to determine whether the S&P CDO Monitor Test has been satisfied and the Collateral Manager shall provide a Microsoft Excel file including, at a minimum, the following data with respect to each Collateral Obligation: (1) CUSIP number (if any), LoanX ID, name of Obligor, coupon, spread (if applicable), legal final maturity date, average life, principal balance, identification as a Cov-Lite Loan or otherwise, settlement date, S&P Industry Classification and S&P Recovery Rate; (2) an indication of whether such Collateral Obligation has a LIBORreference rate floor (and if such Collateral Obligation has a LIBORreference rate floor, specifying the LIBORreference rate floor); and (3) if the purchase of such Collateral Obligation has not yet settled, the purchase price.

(d) Within 30 Business Days after the Effective Date, the Issuer shall provide, or cause to be provided, the following documents: (x) to the Trustee and each Rating Agency, a report (which the Issuer shall cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) stating the following information (the “Effective Date Report”): (A) the Obligor, Principal Balance, coupon/spread, stated maturity, Moody’s Default Probability Rating, Moody’s Rating, Moody’s Industry Classification, S&P Rating and country of Domicile with respect to each Collateral Obligation as of the Effective Date and substantially similar information provided by the Issuer with respect to every other asset included in the Assets (to the extent such asset is a security or Loan), by reference to such sources as shall be specified therein (the items described in this clause (A) the “Effective Date Compared Items”) and (B) as of the Effective Date, the level of compliance with, and satisfaction or non-satisfaction of, (1) the Target Initial Par Condition, (2) each Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test other than the S&P CDO Monitor Test and the Minimum Weighted Average S&P Recovery Rate Test (clauses (1) through (4) collectively, the “Effective Date Tested Items”) and (y) to the Trustee an Accountants’ Report that compares the Effective Date Compared Items (such Accountants’ Report, the “Effective Date Accountants’ Comparison Report”) and recalculates the Effective Date Tested Items (such Accountants’ Report with respect to the Effective Date Tested Items, the “Effective Date Accountants’ Recalculation Report”, and together with the Effective Date Accountants’ Comparison Report, the “Effective Date Accountants’ Reports”). Upon receipt of the Effective Date Accountants’ Comparison Report, the Issuer shall post (or cause to be posted) to the 17g-5 Website, the Form ABS Due Diligence 15-E (together with all attachments) described in SEC Release No. 34-72936 (or any successor thereto promulgated by the SEC). In accordance with SEC Release No. 34-72936, Form 15-E, only in its complete and unedited form which includes the Effective Date Accountants’ Comparison Report as an attachment, will be provided by the Independent accountants to the Issuer who will post (or cause to be posted) such Form 15-E on the 17g-5 Information Agent’s Website pursuant to the preceding sentence. Copies of the Effective Date Accountants’ Recalculation Report or any other agreed-upon procedures report provided by the Independent

affect the Collateral Manager, unless the Collateral Manager has consented in advance thereto in writing, such consent to not be unreasonably withheld or delayed (provided that the Collateral Manager may withhold its consent in its sole discretion if such amendment or supplement affects the amount, timing or priority of payment of the Collateral Manager's fees or increases or adds to the obligations of the Collateral Manager), and the Issuer will not enter into any such amendment or supplement unless the Collateral Manager has given its prior written consent. No amendment to the Indenture will be effective against the Collateral Administrator if such amendment would adversely affect the Collateral Administrator, including without limitation, any amendment or supplement to the Indenture that would increase the duties or liabilities of, or adversely change the economic consequences to the Collateral Administrator, unless the Collateral Administrator consents thereto in writing.

(h) In connection with any proposed supplemental indenture requiring a determination as to whether a Class of Notes would be materially and adversely affected thereby, the Trustee shall be entitled to receive, and (subject to the provisions of this Indenture) shall be fully protected in relying upon an Opinion of Counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such Opinion of Counsel) as to whether the interests of such Class would be materially and adversely affected thereby.

(i) Notwithstanding anything in this Indenture to the contrary, the Collateral Manager (i) shall propose a Reference Rate Amendment if ~~LIBOR~~the Term SOFR Reference Rate is no longer reported (or actively updated) on the Reuters Screen or the administrator for ~~LIBOR~~the Term SOFR Reference Rate has publicly announced that the foregoing will occur within the next six months; and (ii) may propose a Reference Rate Amendment if it determines (in its commercially reasonable judgment) that: (A) ~~LIBOR~~the Term SOFR Reference Rate is no longer reported or updated on the Reuters Screen, a material disruption to ~~LIBOR~~the Term SOFR Reference Rate or a change in the methodology of calculating ~~LIBOR~~the Term SOFR Reference Rate has occurred, or (B) at least 50% (by par amount) of (1) quarterly pay floating rate Collateral Obligations or (2) floating rate collateralized loan obligation notes issued in the preceding three months rely on reference rates other than ~~LIBOR~~the Term SOFR Reference Rate, in each case, determined as of the first day of the Interest Accrual Period during which the Reference Rate Amendment is proposed. The Co-Issuers and the Trustee shall execute such proposed Reference Rate Amendment (and make related changes necessary to implement the use of such replacement rate) only if: (x) the proposed Reference Rate is a Designated Reference Rate or (y) a Majority of the Controlling Class and a Majority of the Subordinated Notes have consented and Rating Agency Confirmation has been obtained. If the Collateral Manager proposes a Reference Rate Amendment to which clause (y) of the preceding sentence applies, and either requirement thereof is not satisfied, the Collateral Manager shall then propose a Reference Rate that is a Designated Reference Rate, and such Designated Reference Rate shall become the Reference Rate without the execution of a supplemental indenture.

(j) If any supplemental indenture permits the Issuer to enter into a hedge, swap or derivative transaction (each, a "Hedge Agreement"), the consent of a Majority of the Controlling Class must be obtained and the supplemental indenture shall require that, before entering into any such Hedge Agreement, the following additional conditions must be satisfied:

(i) Aggregate Principal Balance of Collateral Obligations and Eligible Investments representing Principal Proceeds.

(ii) Adjusted Collateral Principal Amount of Collateral Obligations.

(iii) Collateral Principal Amount of Collateral Obligations.

(iv) A list of Collateral Obligations, including, with respect to each such Collateral Obligation, the following information:

(A) The Obligor thereon (including the issuer ticker, if any);

(B) The LoanX ID, CUSIP or security identifier thereof;

(C) The Principal Balance thereof (other than any accrued interest that was purchased with Principal Proceeds (but excluding any capitalized interest));

(D) The percentage of the aggregate Collateral Principal Amount represented by such Collateral Obligation;

(E) The related interest rate or spread and, if the index for the interest rate spread is not ~~LIBOR~~Term SOFR, the identity of such index;

(F) The payment frequency;

(G) The ~~LIBOR~~reference rate floor, if any;

(H) The stated maturity thereof;

(I) The related Moody's Industry Classification;

(J) The related S&P Industry Classification;

(K) The Moody's Rating (and, in the event of a downgrade or withdrawal of the applicable Moody's Rating, the prior rating and the date such Moody's Rating was changed); provided that if such rating is based on a credit estimate by Moody's, only the date on which the most recent estimate was obtained shall be reported;

(L) The Moody's Default Probability Rating and the S&P Rating;

(M) The country of Domicile;

(N) An indication as to whether each such Collateral Obligation is (1) a Senior Secured Loan, (2) a Second Lien Loan, (3) an Unsecured Loan, (4) unless it is a Closing Date Participation, a Participation Interest (indicating the related Selling Institution and its ratings by each Rating Agency), (5) a Delayed Drawdown Collateral Obligation, (6) a Revolving Collateral Obligation, (7) a

Section 14.3 Notices, etc., to Certain Parties. (a) Any request, demand, authorization, direction, order, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Indenture to be made upon, given or furnished to, or filed with any of the parties indicated below shall be sufficient for every purpose hereunder if in writing and made, given, furnished or filed to and mailed, by certified mail, return receipt requested, hand delivered, sent by overnight courier service guaranteeing next day delivery, by electronic mail or by facsimile in legible form at the following address (or at any other address previously furnished in writing to the other parties hereto); provided that any demand, authorization, direction, instructions, order, notice, consent, waiver or other document sent to U.S. Bank [Trust Company](#), National Association (in any capacity hereunder) will be deemed effective only upon receipt thereof by U.S. Bank [Trust Company](#), National Association:

- (i) the Trustee addressed to it at its Corporate Trust Office;
- (ii) the Issuer at c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands, Attention: The Directors, email: cayman@maplesfs.com;
- (iii) the Co-Issuer at c/o Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711, Attention: Donald J. Puglisi, email: dpuglisi@puglisiassoc.com;
- (iv) the Collateral Manager at Barings LLC, 300 South Tryon Street, Suite 2500, Charlotte, North Carolina 28202, Attention: Rob Shelton, facsimile no. (413) 226-2854, email: rob.shelton@barings.com;
- (v) the (A) the Initial Purchaser at Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Managing Director CLO Group; and (B) the Refinancing Placement Agent at RBC Capital Markets, LLC, 200 Vesey Street, New York, New York 10281, Attention: Edward Chow, Christopher Heron and Mukund Sadagopan, email: RBCCM-CLOAdministration@rbc.com, or any other address previously furnished in writing to the Co-Issuers and the Trustee by the Refinancing Placement Agent;
- (vi) the Collateral Administrator at 214 N. Tryon Street, 26th Floor, Charlotte, North Carolina 28202;
- (vii) the Rating Agencies, in accordance with the 17-5 Procedures;
- (viii) if to the Cayman Islands Stock Exchange, The Cayman Islands Stock Exchange, PO Box 2408, Grand Cayman KY1-1105, Cayman Islands, email: Listing@csx.ky; and
- (ix) the Administrator at c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands, Attention: Barings CLO Ltd. 2018-III, email: cayman@maplesfs.com.

IN WITNESS WHEREOF, we have set our hands as of the day and year first written above.

Executed as a Deed by:

BARINGS CLO LTD. 2018-III,
as Issuer

By _____
Name:
Title:

In the presence of:

Witness: _____
Name:
Occupation:
Title:

BARINGS CLO 2018-III, LLC,
as Co-Issuer

By _____
Name:
Title:

U.S. BANK [TRUST COMPANY](#), NATIONAL
ASSOCIATION,
as Trustee

By _____
Name:
Title: