

**CARLYLE US CLO 2018-3, LTD.
CARLYLE US CLO 2018-3, LLC**

NOTICE OF PROPOSED SUPPLEMENTAL INDENTURE

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

July 15, 2020

To: The Holders described as:

<u>Class Designation</u>	<u>CUSIP* Rule 144A</u>	<u>ISIN* Rule 144A</u>	<u>Common Code* Reg. S.</u>	<u>CUSIP* Reg. S.</u>	<u>ISIN* Reg. S.</u>	<u>CUSIP* AI</u>	<u>ISIN* AI</u>
CLASS A-1a NOTES	14317R AA7	US14317RAA77	189280220	G20026 AA1	USG20026A A16	14317R AB5	US14317R AB50
CLASS A-1b NOTES	14317R AC3	US14317RAC34	189280521	G20026 AB9	USG20026A B98	14317R AD1	US14317R AD17
CLASS A-2 NOTES	14317R AE9	US14317RAE99	189280777	G20026 AC7	USG20026A C71	14317R AF6	US14317R AF64
CLASS B NOTES	14317R AG4	US14317RAG48	189281315	G20026 AD5	USG20026A D54	14317R AH2	US14317R AH21
CLASS C NOTES	14317R AJ8	US14317RAJ86	189281340	G20026 AE3	USG20026A E38	14317R AK5	US14317R AK59
CLASS D NOTES	14317T AA3	US14317TAA34	189281455	G20024 AA6	USG20024A A67	14317T AB1	US14317T AB17
SUBORDINATED NOTES	14317T AC9	US14317TAC99	189281463	G20024 AB4	USG20024A B41	14317T AD7	US14317T AD72
SUBORDINATED NOTES (CARLYLE)	14315T AE7	US14315TAE73	NA	U1R66P AC5	USU1R66P AC58	14315T AF4	US14315T AF49

To: Those Additional Addressees Listed on Schedule I hereto

* No representation is made as to the correctness of the CUSIP or ISIN numbers or Common Codes either as printed on the Notes or as contained in this notice. Such numbers are included solely for the convenience of the Noteholders.

Ladies and Gentlemen:

Reference is hereby made to that certain Indenture dated as of October 29, 2018 (as supplemented, amended or modified from time to time, the “Indenture”), among CARLYLE US CLO 2018-3, LTD., as issuer (the “Issuer”), CARLYLE US CLO 2018-3, LLC, as co-issuer (the “Co-Issuer”) and U.S. BANK NATIONAL ASSOCIATION, as trustee. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

In accordance with Section 8.3(c) of the Indenture, the Trustee hereby notifies you of that certain proposed First Supplemental Indenture (the “Supplemental Indenture”), which will supplement the Indenture according to its terms and which will be executed, pursuant to Section 8.2(a) of the Indenture, by the Co-Issuers and the Trustee upon satisfaction of all conditions precedent set forth in the Indenture. A copy of the Supplemental Indenture is attached as Exhibit A.

The Supplemental Indenture shall not become effective until all of the following have occurred: (i) execution by the Co-Issuers and the Trustee of the Supplemental Indenture and (ii) the satisfaction of all other conditions precedent to the execution of the Supplemental Indenture set forth in the Indenture.

PLEASE NOTE THAT THE FOREGOING IS NOT INTENDED AND SHOULD NOT BE CONSTRUED AS INVESTMENT, ACCOUNTING, FINANCIAL, LEGAL OR TAX ADVICE BY OR ON BEHALF OF THE TRUSTEE OR ITS RESPECTIVE DIRECTORS, OFFICERS, AFFILIATES, AGENTS, ATTORNEYS OR EMPLOYEES. THE TRUSTEE MAKES NO RECOMMENDATIONS TO THE HOLDERS OF NOTES AS TO ANY ACTION TO BE TAKEN OR NOT TO BE TAKEN IN CONNECTION WITH THE SUPPLEMENTAL INDENTURE OR OTHERWISE AND ASSUMES NO RESPONSIBILITY FOR THE CONTENTS, SUFFICIENCY OR VALIDITY OF THE DESCRIPTION OF THE SUPPLEMENTAL INDENTURE ATTACHED HERETO.

Should you have any questions, please contact Annys Hua at (713) 212-3709 or at annys.hua@usbank.com.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

EXHIBIT A

Supplemental Indenture

This **FIRST SUPPLEMENTAL INDENTURE** (this “Supplemental Indenture”), dated as of [___], 2020, to the Indenture dated October 29, 2018 among Carlyle US CLO 2018-3, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), Carlyle US CLO 2018-3, LLC, a Delaware limited liability company (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and U.S. Bank National Association, as trustee (together with its successors in such capacity, the “Trustee”) (as amended, restated, supplemented, or otherwise modified from time to time, the “Indenture”). This Supplemental Indenture is entered into by and among the Co-Issuers and the Trustee. Capitalized terms used but not defined in this Supplemental Indenture have the meanings set forth in the Indenture.

WITNESSETH:

WHEREAS, pursuant to Section 8.2(a) of the Indenture, with the consent of a Majority of the Notes of each Class materially and adversely affected thereby, if any, the Trustee and the Co-Issuers may execute an indenture supplemental to the Indenture to add any provisions to, or change in any manner or eliminate any of the provisions of, the Indenture or modify in any manner the rights of the Holders of any Class under the Indenture (with certain exceptions as set forth in Section 8.2 of the Indenture);

WHEREAS, the Co-Issuers wish to amend the Indenture as set forth in this Supplemental Indenture to make the changes described herein;

WHEREAS, notice and a copy substantially in the form of this Supplemental Indenture has been delivered to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the Holders of the Notes at least 15 Business Days prior to the execution of this Supplemental Indenture in accordance with the provisions of Section 8.3 of the Indenture;

WHEREAS, the Co-Issuers have determined that no Class of Notes shall be materially and adversely affected hereby and consent of the Holders of Notes of any Class shall not be required in connection with this Supplemental Indenture; and

WHEREAS, the conditions set forth for entry into a supplemental indenture pursuant to Section 8.2(a) of the Indenture have been satisfied;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties agree as follows:

Section 1. Amendments to the Indenture. Effective as of the date hereof, the following amendments are made to the Indenture:

- (a) Each reference to the term “settlement date” in Sections 1.2(s) and 10.7(a) of the Indenture is hereby replaced with “trade date”.

Section 2. Governing Law.

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

Section 3. Execution in Counterparts.

This Supplemental Indenture (and each related document, modification and waiver in respect of this Supplemental Indenture) may be executed in any number of 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, or 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 so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Supplemental Indenture by any such electronic means will 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 and will be binding on all parties hereto to the same extent as if it were manually executed. 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 4. Concerning the Trustee.

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

Section 5. No Other Changes.

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

Section 6. Execution, Delivery and Validity.

Each of the Co-Issuers represents and warrants to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

Section 7. Effectiveness; Binding Effect.

The modifications to be effected pursuant to Section 1 above shall become effective as of the date first written above and counterparts hereof shall have been executed and delivered by

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

Section 8. Direction to Trustee.

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

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

EXECUTED AS A DEED BY

CARLYLE US CLO 2018-3, LTD., as Issuer

By: _____

Name:

Title:

In the presence of:

Witness:

Name:

Title:

CARLYLE US CLO 2018-3, LLC, as Co-Issuer

By: _____

Name: Donald J. Puglisi

Title: Manager

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____

Name:

Title:

Agreed and Consented to:

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

By: _____
Name:
Title:

SCHEDULE I

Additional Addressees

Issuer:

Carlyle US CLO 2018-3, Ltd.
c/o Walkers Fiduciary Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands
Attention: The Directors
Email: fiduciary@walkersglobal.com

Co-Issuer:

Carlyle US CLO 2018-3, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711
Attention: Manager
Email: dpuglisi@puglisiassoc.com

Rating Agencies:

Fitch Ratings, Inc.

Email: CDO.Surveillance@fitchratings.com

Moody's Investors Service, Inc.

Email: cdomonitoring@moodys.com

Collateral Manager:

Carlyle CLO Management L.L.C.
1001 Pennsylvania Ave. NW, Suite 220 South
Washington, D.C. 20004
Attention: Catherine Ziobro

Carlyle CLO Management L.L.C.

520 Madison Avenue
New York, New York 10022
Attention: Linda Pace
Regarding: Carlyle US CLO 2018-3, Ltd.
Email: linda.pace@carlyle.com

Collateral Administrator:

U.S. Bank National Association

8 Greenway Plaza, Suite 1100
Houston, Texas 77046
Attention: Global Corporate Trust – Carlyle
US CLO 2018-3

Cayman Stock Exchange:

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

DTC, Euroclear and Clearstream

(as applicable):

legalandtaxnotices@dtcc.com
consentannouncements@dtcc.com
voluntaryreorgannouncements@dtcc.com
drit@euroclear.com
ca_general.events@clearstream.com
ca_mandatory.events@clearstream.com

17g-5:

Carlyle2018317G5@usbank.com.