

DATED 26 JULY 2001

**FIRST FLEXIBLE NO. 4 PLC** (1)

- and -

**BARCLAYS BANK PLC** (2)

- and -

**BRITANNIC MONEY PLC** (3)

- and -

**THE CHASE MANHATTAN BANK** (4)

**GUARANTEED INVESTMENT CONTRACT**

**Lovells**

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THIS AGREEMENT is made on 26 July 2001

**BETWEEN:**

- (1) **First Flexible No. 4 plc** (registered number 4176542) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the "**Issuer**");
- (2) **Barclays Bank PLC** (registered number 1026167) acting through its branch at 54 Lombard Street, London EC3V 9EX (the "**GIC Provider**");
- (3) **Britannic Money plc** (registered number 2048895) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the "**Servicer**"); and
- (4) **The Chase Manhattan Bank** whose principal office is at Trinity Tower, 9 Thomas More Street, London E1W 1YT (the "**Trustee**"), which expression shall include such person and all other persons for the time being acting as trustee or trustees under the Trust Deed.

**1. INTERPRETATION**

1.1 The Master Definitions Schedule signed by, inter alia, the Servicer, the Issuer and the Trustee (as amended, varied or supplemented from time to time) is incorporated into this document and the expressions defined in the Master Definitions Schedule (as amended, varied or supplemented from time to time) shall, except where the context otherwise requires and except where otherwise defined in this Agreement, bear the same meanings in this Agreement.

1.2 In this Agreement:

**"Deposit Date"** means the date from which a balance on the GIC Account earns interest under this Agreement;

**"Reserve Account Balance"** means on any day during an Interest Period the aggregate of all cleared amounts standing to the credit of the Reserve Account during such Interest Period as at opening of business on such day (or if such day is not a Business Day, at close of business on the Business Day immediately preceding such day);

**"Reserve Account Rate"** means in respect of an Interest Period Note LIBOR in respect of such Interest Period as determined on the relevant Interest Payment Date less 0.175 per cent per annum;

**2. THE GIC ACCOUNT**

2.1 The GIC Provider acknowledges that it has received a duly completed account mandate from the Issuer.

2.2 The GIC Provider confirms that the Reserve Account has been opened in its books in the name of the Issuer.

- 2.3 The GIC Provider and the Trustee acknowledge that Britannic Money plc has been appointed as the Servicer pursuant to the Servicing Agreement.
- 2.4 The GIC Provider agrees to accept on deposit and repay/make available all money so transferred upon the terms of this Agreement.
- 2.5 On the date of this Agreement, the Issuer will deposit into the Reserve Account such monies as specified in accordance with the Servicing Agreement and the Deed of Charge.

### 3. RESERVE ACCOUNT

- 3.1 Interest shall accrue daily on the Reserve Account Balance during each Interest Period at a daily rate of interest equal to the Reserve Account Rate for such Interest Period, calculated on the basis of a 365 day year.
- 3.2 On each Interest Payment Date, the GIC Provider shall pay to the Issuer an amount equal to the aggregate of all interest accrued on the daily Reserve Account Balance during the relevant period then ending by payment to the Transaction Account, in each case for value same day.
- 3.3 In the event that an Enforcement Notice is served by the Trustee on the Issuer, then, on the date of service of the Enforcement Notice (the "Enforcement Date"), the GIC Provider shall pay (by crediting such to the Transaction Account) an amount equal to the aggregate of all interest accrued on each day during the period in which the Enforcement Date falls pursuant to clause 3.1 up to but not including the Enforcement Date.
- 3.4 Subject to the provisions of the Servicing Agreement and the Deed of Charge, the Issuer, or the Servicer on behalf of the Issuer, may give notice to the GIC Provider:
  - (a) in the form set out in Schedule I, by 9 am on an Interest Payment Date that it wishes to withdraw on that date all or part of the Reserve Account Balance from the Reserve Fund and the GIC Provider shall comply with the notice and pay the amount specified in the notice to the Transaction Account; or
  - (b) in the form set out in Schedule I by 9 am on an Interest Payment Date the amount that it wishes to deposit on that date in the Reserve Account. Deposits shall be placed by 11 am on the relevant date and may not be withdrawn until the next following Interest Payment Date; and
  - (c) by 1 pm on an Interest Payment Date, the Note LIBOR applicable on that date, in the form set out in Schedule II.

### 4. TRANSFER OF MONIES FROM THE GIC ACCOUNT

In the event that the GIC Provider is notified by the Rating Agencies that the rating of its short term unsubordinated, unsecured and unguaranteed debt has fallen below F-1+ by Fitch or A-1+ by S&P (unless the applicable Rating Agency confirms in writing that such event would not cause it to downgrade the then current rating of the Notes) the GIC Provider shall give notice to the Servicer forthwith, and the Servicer shall as soon as practicable thereafter and in any event within 30 days of such notification:

- (a) transfer an amount equal to the aggregate of the then Reserve Account Balance and all interest accrued on the Reserve Account Balance on each day during the period from the last Deposit Date up to but not including the date of transfer, to the Transaction Account; or
- (b) transfer such amount to a suitably rated entity whose short term unsubordinated, unsecured and unguaranteed debt is rated at least F-1+ by Fitch and A-1+ by

S&P to act as replacement GIC Provider under a replacement agreement on similar terms to this Agreement provided that the Trustee provides its prior written consent to such replacement and the Rating Agencies confirm that the then current ratings of the Notes will not be prejudiced by such replacement.

**5. TERMINATION**

- 5.1 This Agreement shall terminate automatically on the day on which the last outstanding Notes are redeemed in full in accordance with the Conditions.
- 5.2 On or following an Enforcement Date, this Agreement may be terminated by the Trustee giving notice in writing to the GIC Provider.
- 5.3 This Agreement shall terminate automatically on any Interest Payment Date on or after the Issuer enters into a replacement agreement with a suitably rated entity provided that:
- (a) the Trustee provides its prior written consent to such replacement and the Rating Agencies confirm that such replacement would not cause a downgrade of the then current ratings of the Notes; and
  - (b) the value of such replacement contract taking into account the guaranteed rate of return, any termination costs under this Agreement and any fees in respect of the replacement contract is greater than the return under this Agreement.
- 5.4 Upon termination of this Agreement, the GIC Provider shall be obliged to pay to the Issuer (or, in the case of clause 5.2, to or to the order of the Trustee), forthwith an amount equal to the aggregate of the then Reserve Account Balance and all interest accrued on the Reserve Account Balance on each day during the period from the immediately preceding Deposit Date up to but not including such termination date.

**6. WARRANTIES**

- 6.1 The GIC Provider warrants to the Issuer and to the Trustee at the date of this Agreement that (i) it is duly incorporated under the laws of England and Wales and is an institution authorised to carry on banking business including accepting deposits under the Banking Act 1987 and (ii) it is a bank within the meaning of s840A Income and Corporation Taxes Act 1988 which will pay interest under this Agreement in the ordinary course of its business as that phrase is interpreted by the Inland Revenue for the purposes of Section 349 Income and Corporation Taxes Act 1988.
- 6.2 The GIC Provider undertakes to notify the Issuer and the Trustee immediately if at any time during the currency of this Agreement, any of the statements contained in clause 6.1 cease to be true. The warranties set out in clause 6.1 shall survive the signing and delivery of this Agreement.

**7. SET OFF, ENFORCEMENT, SUBORDINATION AND NO PETITION**

- 7.1 The GIC Provider acknowledges that the Reserve Account is charged under the Deed of Charge and it hereby undertakes not to exercise or claim any right it has or may hereafter acquire to combine, consolidate or merge the Reserve Account with any other account of the Issuer or the Servicer or any other person, or any liabilities of the Issuer or the Servicer or any other person to it and undertakes not to set off, combine, withhold or transfer any sum standing to the credit of the Reserve Account or owed by it to the Issuer hereunder in or towards or conditionally upon satisfaction of any liabilities owed by the Issuer or the Servicer or any other person to it; and if the GIC Provider (in breach of its foregoing undertakings) shall combine, consolidate, merger, set off, withhold or transfer

as aforesaid, then it shall immediately pay to the Issuer or the Servicer or credit the Reserve Account with such amount as is necessary to restore the Issuer, the Servicer or the Reserve Account to the position as if such combination, consolidation, merger, set off, withholding or transfer had not occurred.

- 7.2 The GIC Provider agrees with the Issuer that until two years following the payment of all sums outstanding and owing under the Notes, it shall not take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation of the Issuer, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Issuer or of any or all of the Issuer's revenues and assets.
- 7.3 No recourse under any obligation, covenant or agreement of the Issuer contained in this Agreement shall be had against any shareholder, officer or director (save in respect of any director's fraudulent acts or defaults) of the Issuer as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is a corporate obligation of the Issuer and no personal liability shall attach to or be incurred by the shareholders, officers, agents or directors (save in respect of any director's fraudulent acts or defaults) or the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at common law or at equity, or by statute or constitution, of every such shareholder, officer, agent or director (save in respect of any director's fraudulent acts or defaults) is expressly waived by the GIC Provider as a condition of and consideration for the execution of this Agreement.
- 7.4 Without prejudice to the other provisions of this clause 7, the GIC Provider covenants with the Trustee that if, whether in the liquidation of the Borrower or otherwise any payment is received by it under this Agreement other than in accordance with the Deed of Charge, the Priority of Payments or the Servicing Agreement the amount so paid shall be received and held by the GIC Provider upon trust for the Trustee and shall be paid over to the Trustee forthwith upon receipt provided that this clause 7.4 is effective only to the extent that it does not constitute or create and is not deemed to constitute or create any mortgage, charge or other Security Interest of any kind.

**8. ASSIGNMENT**

- 8.1 Save as otherwise contemplated in this Agreement or in the Servicing Agreement or Deed of Charge, no party to this Agreement may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Trustee and unless the Rating Agencies confirm in advance that such assignment or transfer will not adversely affect the then current rating of the Notes.
- 8.2 If there is any change in the identity of the Trustee pursuant to the terms of the Trust Deed, the GIC Provider and the Issuer shall, at the expense of the Issuer, execute such documents and take such actions as the new Trustee and the outgoing Trustee (as the case may be) may reasonably require for the purpose of vesting in the new Trustee the rights of the Trustee under this Agreement.

**9. AGENCY**

The GIC Provider agrees and confirms that, unless otherwise notified by the Issuer or the Trustee, the Servicer, as agent of the Issuer, may act on behalf of the Issuer under this Agreement. The Issuer, the Trustee and the Servicer agree and confirm that the GIC Provider shall not be held liable for any losses incurred in relation to the GIC Account and

in relation to the GIC Provider acting pursuant to the instructions of the Servicer (as agent of the Issuer) or pursuant to any bank mandates or notices issued under this Agreement.

**10. INFORMATION**

The GIC Provider shall provide to the Trustee and the Servicer or procure the provision to the Trustee and the Servicer of such information and evidence in respect of any dealing or proposed dealing between the Issuer and the GIC Provider under this Agreement or otherwise as the Trustee or the Servicer may reasonably request (unless, notwithstanding the waiver referred to below, the GIC Provider would be acting unlawfully in making or procuring such provision) and the Issuer waives any right or duty of confidentiality which it may have or which may be owed to it by the GIC Provider in respect of the disclosure of such information and evidence pursuant to this clause 10.

**11. MODIFICATION**

Save as otherwise provided in this Agreement, no amendment, modification or variation of this Agreement shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties to this Agreement and the Rating Agencies have confirmed that such amendment, modification or variation will not adversely affect the then current rating of the Notes.

**12. STATEMENTS**

During the continuance of this Agreement, the GIC Provider shall procure that written statements as to the Reserve Account Balance and the interest accruing during the relevant period under clause 3 are delivered to the Trustee, the Issuer, and the Servicer at least nine Business Days prior to each Interest Payment Date.

**13. PAYMENTS**

13.1 On each date on which this Agreement requires an amount to be paid by a party, such party shall make the same available to the relevant payee by payment in sterling and in immediately available, freely transferable, cleared funds to such account or bank specified in this Agreement or, failing which, to such bank or account as the payee may from time to time specify for this purpose.

13.2 Subject to the provisions of the Deed of Charge, on the demand of the GIC Provider, the Issuer shall reimburse the GIC Provider for all reasonable costs and expenses (including legal fees) incurred by the GIC Provider in relation to this Agreement.

**14. NOTICES**

Each communication to be made under this Agreement shall be made in writing but, unless otherwise stated, may be made by facsimile or letter. Any communication or document to be made or delivered by one person to another pursuant to this Agreement shall (unless that other person has by fifteen days' written notice to the first person specified another address) be made or delivered to that other person at the address identified with its signature in the Master Definitions Schedule and shall be deemed to have been made or delivered when despatched (in the case of any communication made by facsimile) or (in the case of any communication made by letter) when left at that address or (as the case may be) ten days after being deposited in the post postage prepaid in an envelope addressed to it at that address Provided always that any communication or document deemed made or delivered on a day which is not a Business

Day shall be deemed to have been so made or delivered on the next following Business Day.

15. **TRUSTEE AS PARTY**

For the avoidance of doubt, the Trustee is party to this Agreement in its capacity as such and for the purposes of taking the benefit of these provisions and will assume no obligations in connection with this Agreement except on the terms expressly set out in this Agreement.

16. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

17. **THIRD PARTY RIGHTS**

No person, other than a party to this Agreement, shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Agreement but this is without prejudice to any right or remedy of a third party which may exist or be available apart from that Act.

18. **LAW AND JURISDICTION**

This Agreement is governed by, and shall be construed in accordance with, the laws of England. The parties submit to the exclusive jurisdiction of the English courts.

As **WITNESS** the parties to this Agreement have signed on the day and year first before written.

Signed by )  
for and on behalf of ) /s/ Andrew Vaughan  
**First Flexible No. 4 plc** )

Signed by )  
for and on behalf of ) /s/ Brian Cook  
**Barclays Bank PLC** )

Signed by )  
for and on behalf of ) /s/ Andrew Vaughan  
**Britannic Money plc** )

Signed by )  
for and on behalf of ) /s/ Mark James  
**The Chase Manhattan Bank** )



**SCHEDULE I**

**Notice of Deposit/Withdrawal**

To: Barclays Bank PLC  
1<sup>st</sup> Floor  
City Markets Team  
London Corporate Banking  
54 Lombard Street  
London EC3V 9EX  
FAO Brian Cook

From: Britannic Money plc [Date]

**First Flexible No. 4 plc (the "Issuer")  
Reserve Account**

This notice is given in respect of a guaranteed investment contract (the "Agreement") between ourselves, yourselves and the Issuer dated 26 July 2001. We hereby give you notice that:

- 1 We wish to withdraw [£ ] on behalf of the Issuer from the Reserve Account on [ ]. Please pay such amount to the Transaction Account No. 40927481 with Barclays Bank PLC, 54 Lombard Street, London EC3V 9EX (Sort Code 20-19-90).  
  
[or]
- 2 We wish to deposit [£ ] with you in the Reserve Account on behalf of the Issuer for the next period to [specify permitted date]. We acknowledge we must deposit sums not already in the Reserve Account in cleared funds by 11 am on the first day of the period in order to earn the guaranteed rate of return under the Agreement.
- 3 We certify that such requests are made in accordance with the Servicing Agreement and no termination event has occurred thereunder or under the Agreement

Signed By .....

for and on behalf of

**Britannic Money plc**

**SCHEDULE II**

**Notice of Note LIBOR**

To: Barclays Bank PLC  
1<sup>st</sup> Floor  
City Markets Team  
London Corporate Banking  
54 Lombard Street  
London EC3V 9EX  
FAO Brian Cook

From: Britannic Money plc [Date]

**First Flexible No. 4 plc (the "Issuer")  
Reserve Account**

This notice is given in respect of a guaranteed investment contract (the "Agreement") between ourselves, yourselves and the Issuer dated 26 July 2001. Further to our notice of [deposit] [withdrawal] given [earlier today on [date]] of the sum of [ ] until the Interest Payment Date falling in [ ]:

- 1 We hereby give you notice that Note LIBOR determined in accordance with the Conditions for the relevant Interest Period (each as defined in the Master Definitions Schedule incorporated in the Agreement) applicable to such deposit is [ ].
- 2 We certify that this notice is given in accordance with the Servicing Agreement and no termination event has occurred thereunder or under the Agreement.

Signed By .....

for and on behalf of

**Britannic Money plc**

\* Delete as appropriate