

CONFORMED COPY

DATED 11 JUNE 2002

FIRST FLEXIBLE NO. 5 PLC

- and -

BARCLAYS BANK PLC

- and -

JPMORGAN CHASE BANK

- and -

BRITANNIC MONEY PLC

REDRAW FACILITY AGREEMENT

Lovells

A2/JC/DAH/1234535.04
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THIS AGREEMENT is made on 11 June 2002

BETWEEN:

- (1) **First Flexible No. 5 plc** (registered number 4236601) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the "**Facility Borrower**");
- (2) **Barclays Bank PLC** (registered number 1026167) acting through its office at 54 Lombard Street, London EC3V 9EX (together with any successor and assigns the "**Redraw Facility Provider**");
- (3) **JPMorgan Chase Bank** whose principal office is at at Trinity Tower, 9 Thomas More Street, London E1W 1YT (the "**Trustee**" which expression shall include such company and all other persons or companies for the time being acting as the trustee or trustees under the Trust Deed); and
- (4) **Britannic Money plc** (registered number 2048895) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT1 5AS (the "**Servicer**").

WHEREAS:

- (A) Pursuant to a mortgage sale agreement (the "**Mortgage Sale Agreement**") of even date with this Agreement between, inter alios, Arianty No. 1 plc ("**Arianty**"), the Facility Borrower, the Servicer and the Trustee, Arianty has agreed to sell and the Facility Borrower has agreed to purchase the Mortgages together with the Related Security.
- (B) The Facility Borrower proposes to charge to the Trustee (pursuant to the Deed of Charge) the Mortgages and the Related Security purchased by it from Arianty as security for its obligations in relation to the issue of the Notes.
- (C) The Redraw Facility Provider has agreed, on the terms and subject to the conditions of this Agreement, to make available a revolving redraw facility of up to £25 million to the Facility Borrower.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

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

1.2 In this Agreement the following words and expressions have the meanings set opposite them:

"Advance"

an advance (as from time to time reduced by repayment) made or to be made by the Redraw Facility Provider under clause 7 or clause 25.1;

"Applicable Rate"	means on any date, the rate of interest equal to the aggregate of Note LIBOR and the then applicable Margin;
"Associated Costs Rate"	in respect of any period, the percentage rate per annum given by the formula set out in Schedule III hereto;
"Available Redraw Facility"	on any Interest Payment Date, the lower of (a) the difference between the Redraw Facility Limit and the aggregate amount of Advances outstanding which will not be repaid on such Interest Payment Date and (b) the Principal Amount Outstanding of the Class A Notes;
"Commitment"	(subject to any increase, decrease or cancellation of the Commitment as may be made pursuant to clauses 9 and 12) the commitment of the Redraw Facility Provider to make Advances from time to time up to the Redraw Facility Limit;
"Commitment Period"	the period from and including the date of this Agreement up to and including the Interest Payment Date falling in June 2034 provided that if the Notes have been redeemed earlier or if enforcement of the Security in accordance with the Conditions has occurred, then such earlier date shall be substituted for the Interest Payment Date falling in June 2034;
"Coupon Step-Up Date"	the Interest Payment Date falling in July 2009;
"Drawdown Date"	in relation to any Advance, the date for the making such Advance, as specified in the Notice relating to it;
"Drawing"	the provision of an Advance pursuant to this Agreement;
"Event of Default"	any of those events specified in clause 16;
"Facility Office"	in relation to the Redraw Facility Provider, the office through which it makes an Advance, as set out in Clause 18.1 below or such other office as it may from time to time select;
"Margin"	0.30 per cent per annum up to and including the Coupon Step-Up Date and thereafter 0.50 per cent per annum;

"Notice of Drawdown"

a request for an Advance made in accordance with clause 6 and being substantially in the form, or containing substantially the information, set out in Schedule II;

"Qualifying Lender"

- (a) a bank, as defined in section 840A of the Income and Corporation Taxes Act 1988, which makes an Advance under this Agreement and which, on the date a payment of interest is paid under this Agreement, is beneficially entitled to and within the charge to United Kingdom corporation tax in respect of that payment for the purposes of section 349 of the Income and Corporation Taxes Act 1988; or
- (b) a company which is (on the date a payment of interest is paid under this Agreement) beneficially entitled to the payment and is either:
 - (i) resident in the United Kingdom for United Kingdom Tax purposes; or
 - (ii) not being so resident, carries on a trade in the United Kingdom through a branch or agency and the payment falls to be brought into account in computing such company's chargeable profits (as that term is defined in section 11(2) of the Income and Corporation Taxes Act 1988),

and in respect of which, in each case, the United Kingdom Inland Revenue has not issued a direction under section 349C of the Income and Corporation Taxes Act 1988 that section 349A(1) of the Income and Corporation Taxes Act 1988 does not apply;

"Redraw Facility"

the revolving redraw facility granted to the Facility Borrower by the Redraw Facility Provider pursuant to this Agreement;

"Redraw Facility Limit"

unless otherwise agreed between the Issuer, the Trustee, the Redraw Facility Provider and the Servicer and with the prior written confirmation of the Rating Agencies that the then current rating of the Notes will not be adversely affected, initially £25,000,000 and then, if on any Interest Payment Date falling in or after August 2005 the aggregate Potential Redraw Amount with respect to the Mortgages comprising the Mortgage Pool is less

than 7.5% of the aggregate Principal Amount Outstanding of the Notes each as at the immediately preceding Interest Payment Date, the greater of (i) 5% of the aggregate Principal Amount Outstanding of the Notes as at such immediately preceding Interest Payment Date and (ii) £15,000,000;

"Repayment Date" in relation to any Advance means the last day of the Term of such Advance;

"Term" in relation to any Advance means the period for which such Advance is borrowed as specified in the Notice of Drawdown relating thereto, the last day of which shall be the next Interest Payment Date;

"Termination Date" the last day of the Commitment Period; and

"Utilised Commitments" at any time, the aggregate at such time of all outstanding Advances made under this Agreement by the Redraw Facility Provider.

1.3 Any reference in this Agreement to:

- (a) "indebtedness" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent; and
- (b) the "winding-up" or "dissolution" of a company shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company is incorporated or any jurisdiction in which such company carries on business.

1.4 To the extent that the terms of this Agreement require a payment to be made by any party to this Agreement on a day which is not a Business Day, payment shall be made on the next succeeding day which is a Business Day.

2. REDRAW FACILITY

2.1 The Redraw Facility Provider grants to the Facility Borrower, upon the terms and subject to the conditions hereof, a committed sterling revolving redraw facility in an initial amount of up to £25 million such amount being adjusted from time to time pursuant to and in accordance with the terms of this Agreement.

2.2 The Redraw Facility Provider shall not be obliged or permitted to make any Advance after the Termination Date.

2.3 The Redraw Facility Provider hereby represents that its short-term unsecured, unsubordinated and unguaranteed debt or securities are rated P-1 by Moody's and A-1+ by S&P at the date of this Agreement and undertakes to notify the Facility Borrower promptly after becoming aware of the same if such debt or securities shall cease to have a P-1 short-term debt rating from Moody's or an A-1+ rating from S&P or if such ratings are placed on negative credit watch.

3. PURPOSE

Subject to clauses 6 and 7, the Facility Borrower shall be entitled to make drawings under the Redraw Facility to fund the purchase by the Facility Borrower of the right to repayment of Redraws (including Payment Holidays) by Borrowers under the Mortgages, and, if any action is taken for the winding up, dissolution or administration of either or both of the Lenders, thereafter to fund Redraws directly to Borrowers under the Mortgages in respect of such Lender(s).

4. CONDITIONS PRECEDENT

Save as the Redraw Facility Provider may otherwise agree, the Facility Borrower may not deliver the first Notice of Drawdown hereunder unless the Redraw Facility Provider has received copies of all the documents listed in Schedule I each of which in its reasonable opinion is, in form and substance, satisfactory to it unless such condition precedent has been waived in whole or in part.

5. SECURITY

The Facility Borrower agrees that its obligations to the Redraw Facility Provider under this Agreement shall at all times be secured on the terms of and pursuant to the Deed of Charge. The Redraw Facility Provider acknowledges that its rights under this Agreement are subject in all respects to the provisions of the Deed of Charge and that the Trustee holds the benefit of the security created by the Deed of Charge on trust for the Redraw Facility Provider and parties other than the Redraw Facility Provider including the Trustee.

6. REQUESTS FOR DRAWINGS

6.1 Save as otherwise provided herein, the Facility Borrower may from time to time request a Drawing or Drawings by the delivery to the Redraw Facility Provider by fax not earlier than the sixth Business Day nor later than 3.00 pm on the second Business Day before the proposed Drawdown Date(s) for the relevant Advance of a duly completed Notice of Drawdown therefor.

6.2 Each Notice of Drawdown delivered to the Redraw Facility Provider pursuant to clause 6.1 shall be irrevocable and shall, in relation to each Advance, specify:

- (a) the proposed Drawdown Date, which shall be an Interest Payment Date during the Commitment Period;
- (b) the amount of the proposed Advance; and
- (c) the Term of the proposed Advance, which shall not be a period of more than one month.

6.3 The Facility Borrower agrees that any Notice of Drawdown provided to the Redraw Facility Provider will be irrevocable and the receipt of such by the Redraw Facility Provider shall oblige the Facility Borrower to borrow the amount therein requested on the date therein stated upon the terms and subject to the conditions contained in this Redraw Facility Agreement.

7. DRAWINGS

7.1 If, on the proposed Drawdown Date for an Advance:

- (a) the amount of such Advance does not exceed the Available Redraw Facility (taking into account any Advances which are to be repaid on that date) and the

Repayment Date in respect of such Advance falls on or before the Termination Date;

- (b) each of the representations set out in clause 13.1 is true on and as of the proposed date for such Advance (as if repeated on such date by reference to the then prevailing facts and circumstances);
- (c) no event has occurred which is an Event of Default (unless the Redraw Facility Provider agrees in writing (notwithstanding that an Event of Default has occurred) to make such Advance); and
- (d) as a result of the making of such Advance the aggregate amount of the Advances outstanding under the Redraw Facility will not exceed the Redraw Facility Limit,

then, on such Drawdown Date and subject to the Facility Borrower's compliance in relation thereto with the provisions of clause 6, the Redraw Facility Provider shall make available to the Facility Borrower, through its Facility Office and in accordance with the provisions of clause 18.2, the amount of the relevant Advance provided however that in the case of Redraws, an Advance may only be made to the extent that the aggregate of the principal amount of Redraws (including Payment Holidays) the right to repayment of which are to be purchased by the Facility Borrower on the immediately following Interest Payment Date exceeds the aggregate of the amount available to purchase the right to repayment of Redraws (including Payment Holidays) in accordance with the Priority of Payments (excluding for the purposes of this test amounts available to be drawn under this Redraw Facility).

- 7.2 If the Redraw Facility Limit (and consequently the amount of the Available Redraw Facility) is reduced in accordance with the terms hereof after the Redraw Facility Provider has received a Notice of Drawdown for an Advance but before it has made the Advance, the amount of such Advance shall be reduced so as to ensure that the amount of such Advance does not exceed the reduced Available Redraw Facility.
- 7.3 The Facility Borrower may not deliver to the Redraw Facility Provider pursuant to clause 6 more than one Notice of Drawdown on any one day but any Notice of Drawdown delivered thereunder may relate to one or more Advances to be made by the Redraw Facility Provider and such Advances may be in different amounts and have different Drawdown Dates.
- 7.4 The amount of the Available Redraw Facility will be reduced by the amount of each Advance made to the Facility Borrower pursuant to this clause 7.

8. **INTEREST**

- 8.1 Interest on each Advance shall accrue daily, shall be calculated on the outstanding daily balance of the Advance on the basis of actual days elapsed and a 365 day year and shall, subject to clause 17, be payable by the Facility Borrower to the Redraw Facility Provider, subject to the Priority of Payments and the Deed of Charge, in arrear on the Repayment Date applicable to such Advance.
- 8.2 The rate of interest applicable to an Advance during its Term shall be the rate per annum determined by the Redraw Facility Provider to be the aggregate of the Applicable Rate plus the Associated Costs Rate applicable to such Advance.
- 8.3 The Redraw Facility Provider shall promptly notify the Facility Borrower of each determination of the Applicable Rate and, if applicable, the Associated Costs Rate made by it pursuant to this clause 8.

9. **CHANGING THE REDRAW FACILITY**

- 9.1 The Redraw Facility Provider may in its sole discretion and at the request of the Facility Borrower at any time increase or decrease the Redraw Facility Limit and the Commitment to such higher or lower amount as the Rating Agencies have confirmed in advance to the Facility Borrower as being sufficient to maintain the then current rating of the Notes.
- 9.2 The Redraw Facility Provider will not be obliged by any party to advance funds beyond the amount of the original Redraw Facility Limit.
- 9.3 On any date no later than the Interest Payment Date falling six months prior to the Coupon Step Up Date, the Facility Borrower and the Servicer shall consult with the Rating Agencies to agree a revised Redraw Facility Limit (the "**New Redraw Facility Limit**") and Commitment to take effect as of the Coupon Step Up Date and the Facility Borrower shall request the consent of the Redraw Facility Provider to such New Redraw Facility Limit in accordance with clause 9.1 above. If a New Redraw Facility Limit is not approved by the Rating Agencies at least 60 days prior to the Coupon Step Up Date, the then prevailing Redraw Facility Limit shall continue to apply. If the Redraw Facility Provider fails to consent to the New Redraw Facility Limit, the Redraw Facility Limit prevailing at such time will continue to apply and the Facility Borrower may seek an alternative Redraw Facility Provider willing to provide a redraw facility in an amount equal to the New Redraw Facility Limit subject to confirmation from the Rating Agencies that the then current rating of the Notes will not be downgraded as a result of the Facility Borrower entering into a redraw facility with such alternative Redraw Facility Provider.

10. **CHANGES IN CIRCUMSTANCES**

- 10.1 In the event that by reason of any future applicable treaty, law, regulation or regulatory requirement or any change in the official, generally published interpretation or application of any present or future applicable treaty, law, regulation or regulatory requirement the Redraw Facility Provider shall, after due consideration, be of the opinion that it would not be lawful for it to maintain or give effect to its obligations in respect of the Redraw Facility, the Redraw Facility Provider shall notify the Facility Borrower in writing accordingly. Upon receipt of such notice by the Facility Borrower, the Redraw Facility Provider's obligation to make further Advances shall immediately be cancelled and any Advances then outstanding shall become immediately due and payable by the Facility Borrower.
- 10.2 If either:
- (a) any change after the date of this Agreement in (or the introduction of) any applicable treaty, law, regulation or regulatory requirement or in the official, generally published interpretation or application thereof or any applicable direction, request or requirement (whether or not having the force of law) of any governmental, fiscal or monetary authority shall in any such case;
 - (i) subject the Redraw Facility Provider to any Tax, or increase the amount of any Tax (except for an increase resulting from a change in Tax rates), with respect to the Redraw Facility or any Advance (other than Tax on the Redraw Facility Provider's income, profits or gains); or
 - (ii) change the basis of Taxation of the Redraw Facility Provider in respect of payments of principal, interest or any other payment due or to become due pursuant to this Agreement (except for changes in the rate of Taxes on or measured by the Redraw Facility Provider's income, profits or gains); or

- (iii) change the basis of Taxation of the Redraw Facility Provider in respect of any principal or interest paid by it on, or otherwise in respect of, deposits from third parties acquired or utilised to effect or maintain any Advance (except for changes in the rate of Taxes on or measured by the Redraw Facility Provider's income, profit or gains); or
 - (iv) impose, modify or deem applicable any reserve, special deposit, cash ratio, liquidity, capital ratio or other requirement against or in respect of any, or any class of any assets or liabilities (including contingent liabilities and commitments) of the Redraw Facility Provider; or
 - (v) impose on the Redraw Facility Provider any other condition relating to or affecting its obligations under this Agreement or any part thereof; or
- (b) the Redraw Facility Provider complies with any applicable direction, request or requirement (whether or not having the force of law) of any government, fiscal or monetary authority made after the date hereof;

and the result of any of the foregoing (or, in the case of subparagraph (b) above, the result of the foregoing if following the relevant compliance the Redraw Facility Provider adopts no less prudent capital ratio, liquidity or other policies or standards than those previously adopted by it) is either:

- (A) to increase the direct or indirect cost to the Redraw Facility Provider of making available or in maintaining any Advance; or
- (B) to reduce the amount of any payment received or receivable by the Redraw Facility Provider under this Agreement; or
- (C) to reduce its effective return on capital employed in support of the Redraw Facility or in connection with any Advance,

in any such case by an amount which the Redraw Facility Provider reasonably deems to be material, then:

- (1) the Redraw Facility Provider shall promptly notify the Facility Borrower and the Trustee of the happening of such event after it has become aware thereof; and
- (2) the Facility Borrower shall, on the next Interest Payment Date and in accordance with the Priority of Payments, pay the Redraw Facility Provider on demand such amount(s) as the Redraw Facility Provider may certify (in a certificate which shall set out in reasonable detail so far as practicable the basis of the computation of such amounts) to be necessary to indemnify it against, as the case may be, such increased cost or such reduction; and
- (3) the Facility Borrower shall be at liberty, subject to it having obtained all requisite authorisations and consents, at any time after receipt of any such notice, so long as the circumstances giving rise to such increased cost or, as the case may be, such reduction continue, on giving the Redraw Facility Provider not less than five Business Days' notice (which shall be irrevocable) and subject to repayment in full of the Advance, to cancel the whole of the Redraw Facility and the Redraw Facility Limit shall be reduced to nil.

Any such demand as is referred to in this clause 10.2 may be made by the Redraw Facility Provider at any time.

- 10.3 Upon the occurrence of any event as described in clauses 10.1 or 10.2 above, the Redraw Facility Provider shall, in consultation with the Facility Borrower, take such reasonable steps as may reasonably be open to it to mitigate the effect of such circumstances and the Facility Borrower and the Redraw Facility Provider shall forthwith negotiate in good faith with a view to agreeing terms for making the Redraw Facility available from another jurisdiction or for restructuring the Redraw Facility on a basis which is not unlawful or, subject to the relevant event or events referred to in clause 10.2, for transferring its rights and obligations hereunder to another bank whose short-term debt is rated P-1 by Moody's and A-1+ by S&P provided that (i) there shall be no obligation on the Redraw Facility Provider to take any steps if, in its reasonable opinion, the same would or might have a material adverse effect upon its business, operations or financial condition or to agree any terms which are economically materially disadvantageous to itself and (ii) that the Redraw Facility Provider shall not be under any obligation to continue any such negotiations as aforesaid if terms have not been agreed within 30 days after their commencement and in the case of (i) and (ii), the Facility Borrower shall be entitled on giving the Redraw Facility Provider not less than five Business Days' notice (which shall be irrevocable) and subject to repayment in full of the Advance, to cancel the whole of the Redraw Facility and the Redraw Facility Limit shall be reduced to nil.

11. REPAYMENT OF ADVANCES

- 11.1 Subject to the provisions of this Agreement, the Priority of Payments and the Deed of Charge, the Facility Borrower shall repay together with accrued interest thereon each Advance made to it in full to the Redraw Facility Provider on the Repayment Date relating thereto. Notwithstanding the provisions of this clause 11.1, if any repayment is received by the Redraw Facility Provider on a date which is not the relevant Repayment Date, the Facility Borrower shall additionally pay to the Redraw Facility Provider all costs (including broken funding costs, if any) arising as a consequence thereof.
- 11.2 The Facility Borrower, subject to the terms and conditions of this Agreement, shall be entitled to re-borrow any amount repaid provided that the re-borrowing does not exceed the Available Redraw Facility at any time.
- 11.3 In any event, the Facility Borrower shall be obliged to repay together with accrued interest thereon each Advance made to it in full to the Redraw Facility Provider on the date of final redemption of the Notes.

12. CANCELLATION

- 12.1 The Facility Borrower may, with the prior written confirmation of the Rating Agencies that such cancellation will not cause the rating of the Notes to be downgraded and with the agreement of the Trustee, cancel the whole or any part of the Redraw Facility by giving the Redraw Facility Provider not less than five Business Days' prior notice specifying the date and amount of the proposed cancellation. For the avoidance of doubt, the Redraw Facility Provider will not be required to enquire or seek confirmation of whether or not the Facility Borrower has obtained such consent. Any cancellation in part shall (unless, as a result of such cancellation, the Commitment is to be reduced to zero) be in an amount or integral multiple of £100,000.
- 12.2 No cancellation pursuant to clause 12.1 shall take effect to the extent that, as a result of such proposed cancellation, the principal amounts outstanding under the Redraw Facility would, at the time of such proposed cancellation, exceed the Commitment. The exercise

of such rights of cancellation by the Facility Borrower shall be without prejudice to the Facility Borrower's right subsequently to request the Redraw Facility Provider to increase or decrease the Redraw Facility Limit and Commitment pursuant to clause 9 of this Agreement.

12.3 Each notice of cancellation given pursuant to this clause 12 shall be irrevocable and shall specify the date upon which such cancellation is to take effect.

12.4 If at any time:

- (a) all indebtedness owed to the Redraw Facility Provider by the Facility Borrower hereunder has been paid in full; and
- (b) the Commitment is cancelled or reduced to zero; and
- (c) the Redraw Facility Provider is under no further actual or contingent obligation hereunder,

then this Agreement shall terminate.

12.5 On the Termination Date the Commitment shall be (if it has not already been) cancelled and reduced to zero.

13. REPRESENTATIONS

13.1 The Facility Borrower represents on the date hereof and on each date that an Advance is made to the Facility Borrower pursuant to clause 7 that:

- (a) **Status:** the Facility Borrower is duly incorporated with limited liability under the laws of England and Wales.
- (b) **Powers and authorisations:** the Memorandum and Articles of Association of the Facility Borrower include provisions which give power, and all necessary corporate authority has been obtained and action taken, for the Facility Borrower to own its assets, carry on its business as it is now being conducted, and sign and deliver, and perform the transactions contemplated in the Documents to which it is a party, and such documents constitute valid, legal and binding obligations of the Facility Borrower enforceable against the Facility Borrower in accordance with their terms.
- (c) **Non-Violation:** neither the signing and delivery of this Agreement nor the performance of any of the transactions contemplated in it contravenes or constitutes a default under, or causes to be exceeded any limitation on the Facility Borrower or the powers of its directors imposed by or contained in:
 - (i) any law by which it is or any of its assets is bound or affected;
 - (ii) its Memorandum or Articles of Association; or
 - (iii) any agreement to which it is a party or by which any of its assets is bound.
- (d) **No Default:** no event has occurred which constitutes, or which, with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which the Facility Borrower or any of its assets is bound or affected, being a contravention or default which has a material adverse effect on the business, assets or condition of

the Facility Borrower or adversely affects its ability to observe or perform its obligations under this Agreement.

- (e) Litigation: no litigation, arbitration or administrative proceeding or claim which has a material adverse effect on its business, assets or condition or adversely affects its ability to observe or perform its obligations under this Agreement is presently in progress or pending or, to the best of the knowledge, information and belief of the Facility Borrower, threatened against the Facility Borrower or any of its assets.
- (f) No Security: none of the assets of the Facility Borrower is affected by any encumbrance, and the Facility Borrower is not a party to, nor is it or any of its assets bound by, any order, agreement or instrument under which the Facility Borrower is required to create, assume or permit to arise any encumbrance, other than the encumbrances created by or pursuant to the Deed of Charge or as expressly contemplated by the Documents.

13.2 The Facility Borrower represents that the claims against it under this Agreement shall be secured by first ranking security over the assets and undertaking of the Facility Borrower granted in favour of the Trustee for the benefit of, inter alia, the Redraw Facility Provider pursuant to and in accordance with the terms of the Deed of Charge.

13.3 The Redraw Facility Provider represents as at the date it becomes a party to this Agreement or, if applicable, as at the date it becomes subject to the terms of this Agreement pursuant to clause 28.1(b) or (c), that it is a Qualifying Lender.

13.4 A Qualifying Lender within paragraph (b) (but not paragraph (a)) of the definition thereof will give to the Borrower a written confirmation to the effect that it is a Qualifying Lender within paragraph (b) of the definition thereof on the day on which it becomes a party to this Agreement.

13.5 The Redraw Facility Provider will, as soon as reasonably practicable after becoming aware that it has ceased to be a Qualifying Lender, notify the Facility Borrower that it has ceased to be a Qualifying Lender.

13.6 If the Facility Borrower makes a payment without a withholding or deduction in respect of Tax in circumstances where the Redraw Facility Provider has not notified the Facility Borrower that it has ceased to be a Qualifying Lender (otherwise than by reason of any change in law or in any published extra-statutory or revenue concession or a change in the official, generally published interpretation or administration of the same):

- (i) where any liability in respect of an amount which should have been deducted or withheld is imposed, levied or assessed against the Facility Borrower, the Redraw Facility Provider shall, within three Business Days of demand by the Facility Borrower, indemnify the Facility Borrower against such payment or liability, together with any interest, penalties and expenses payable or incurred in connection with it; and
- (ii) the Redraw Facility Provider authorises the Facility Borrower to withhold amounts equivalent to the Tax which should have been withheld or deducted from subsequent payments to the Redraw Facility Provider under this Agreement and to pay such amounts to the relevant Taxing authority.

14. FINANCIAL INFORMATION

14.1 The Facility Borrower shall:

- (a) as soon as the same become available, but in any event within 180 days after the end of each of its financial years, deliver to the Redraw Facility Provider its audited financial statements for such financial year;
 - (b) as soon as the same become available, deliver to the Redraw Facility Provider the performance reports and such other financial information as is delivered to the Trustee pursuant to the provisions of the Servicing Agreement; and
 - (c) any other financial information in respect of the Facility Borrower which the Redraw Facility Provider may reasonably require from time to time.
- 14.2 The Facility Borrower shall deliver to the Redraw Facility Provider a copy of any amendment made to the Deed of Charge (if any), as soon as practicable upon the occurrence of any such amendment.
- 14.3 The Facility Borrower shall ensure that:
- (a) each set of financial statements delivered by it pursuant to clause 14.1(a) and (b) is prepared in accordance with accounting principles generally accepted in its country of incorporation and consistently applied;
 - (b) each set of financial statements or financial information delivered by it pursuant to clause 14.1(a) and (b) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period; and
 - (c) each set of financial statements delivered by it pursuant to clause 14.1(a) has been audited by an internationally recognised firm of independent auditors.

15. COVENANTS

15.1 The Facility Borrower shall:

- (a) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect, all authorisations, approvals, licences and consents required in or by the laws and regulations of the country in which it is incorporated and any other applicable law to enable it lawfully to enter into and perform its obligations under the Notes and each Document to which it is expressed to be a party or to ensure the legality, validity, enforceability or admissibility in evidence in the country in which it is incorporated in all material respects of the Notes and each such Document;
- (b) promptly inform the Redraw Facility Provider of the occurrence of any event which is an Event of Default or Potential Event of Default and, upon receipt of a written request to that effect from the Redraw Facility Provider, confirm to the Redraw Facility Provider that, save as previously notified to the Redraw Facility Provider or as notified in such confirmation, no such event has occurred;
- (c) ensure that no utilisation of the Redraw Facility occurs which would cause a breach of any restriction on borrowings or the raising of finance contained in the Memorandum and Articles of Association of the Facility Borrower;
- (d) give to the Redraw Facility Provider and the Rating Agencies not less than seven days' notice of any proposed amendments to any of the Documents (after their execution) to which the Facility Borrower is a party prior to the proposed effective date of such amendments; and

- (e) not effect or permit to become effective any amendment to any of the Documents to which it is a party which could, in its reasonable opinion, be expected adversely to affect the interests of the Redraw Facility Provider.
- 15.2 The Facility Borrower covenants and undertakes that its obligations hereunder shall at all times be secured by first ranking security over its assets and undertaking pursuant to and in accordance with the terms of the Deed of Charge.
- 15.3 The Redraw Facility Provider shall provide to the Trustee such information and evidence in respect of any dealing between the Facility Borrower and the Redraw Facility Provider under this Agreement or otherwise as the Trustee may reasonably request for the purpose of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee under the Transaction Documents or by operation of law and the Facility Borrower hereby waives any right to confidentiality or any duty of confidentiality which may be owed to it in respect of such information and evidence and consents to the disclosure of such information and evidence to the Trustee. The Trustee hereby undertakes to the Facility Borrower not to release any information and evidence provided to it under this clause 15.3 to any third party save as required by law or in order to fully carry out its duties under the Trust Deed.

16. EVENTS OF DEFAULT, ENFORCEMENT, SUBORDINATION AND NO PETITION

- 16.1 If:
- (a) the Facility Borrower fails to pay any amount due under this Agreement within seven Business Days of its due date;
 - (b) the Facility Borrower fails to observe or perform any of its other obligations under this Agreement and, in the case of a failure capable of being remedied (in the reasonable opinion of the Redraw Facility Provider following consultation with the Trustee), such failure is not remedied within ten Business Days after the Redraw Facility Provider has notified the Facility Borrower of the failure and the result of any of the foregoing is, in the determination of the Redraw Facility Provider, materially and adversely to affect the financial condition of the Facility Borrower or its ability to observe or perform its obligations hereunder;
 - (c) any warranty, representation or statement which is given by the Facility Borrower in this Agreement or which is contained in any certificate, statement or notice provided under or in connection with this Agreement proves to be incorrect in any material respect or any such warranty, representation or statement, if it were repeated at any time by reference to the circumstances then prevailing, would be incorrect in any material respect and in the case of any such incorrect warranty, representation or statement capable of being remedied (in the reasonable opinion of the Redraw Facility Provider following consultation with the Trustee), such incorrect warranty, representation or statement is not remedied within ten Business Days after the Redraw Facility Provider has notified the Facility Borrower of the failure and the result of any of the foregoing is, in the determination of the Redraw Facility Provider after consultation with the Trustee, materially and adversely to affect the financial condition of the Facility Borrower or its ability to observe or perform its obligations under this Agreement;
 - (d) the Facility Borrower changes or threatens to change the nature or scope of its business beyond that expressly contemplated by the Documents or suspends or threatens to suspend a substantial part of its business operations and the result of any of the foregoing is, in the reasonable determination of the Redraw Facility

Provider, materially and adversely to affect the financial condition of the Facility Borrower or its ability to observe or perform its obligations under this Agreement;

- (e) any provision of any Document is or becomes, for any reason, invalid or unenforceable and the result of any of the foregoing may in the reasonable determination of the Redraw Facility Provider, materially and adversely affect the financial condition of the Facility Borrower or its ability to observe or perform its obligations under this Agreement; or
- (f) the Trustee serves an Enforcement Notice pursuant to the Notes,

then the Redraw Facility Provider may, by notice to the Facility Borrower and the Trustee, specify that no further Advances may be made, whereupon the Redraw Facility shall be cancelled and the Commitment reduced to nil and all Advances and all interest accrued thereon together with any other amounts then payable under the Redraw Facility shall, notwithstanding any other provisions of this Agreement, (but subject to clause 16.2), immediately become due and payable (without the need for any demand to be made), but subject always to the provisions of the Deed of Charge and the Priority of Payments.

- 16.2
- (a) The Redraw Facility Provider agrees with the Trustee and the Issuer that it is bound by the terms of the Deed of Charge and, in particular, confirms that no sum, whether in respect of principal or interest or otherwise under this Agreement, shall be paid by the Facility Borrower except in accordance with the provisions of the Deed of Charge, the Priority of Payments and the Servicing Agreement unless and until all sums thereby required to be paid or provided for in priority thereto have been paid or will be discharged in full.
 - (b) The Redraw Facility Provider further acknowledges to the Trustee that only the Trustee may enforce the security created in favour of the Trustee by or pursuant the Deed of Charge and that the Redraw Facility Provider shall not take any steps for the purpose of recovering any debts whatsoever owing to it by the Facility Borrower under this Agreement save as provided for in accordance with the terms of the Deed of Charge.
 - (c) The Redraw Facility Provider agrees that its rights against the Facility Borrower under this Agreement are limited to the extent that the Redraw Facility Provider will not take any action or proceedings against the Facility Borrower to recover any amounts payable by the Facility Borrower to it under this Agreement except to the extent permitted by the provisions of the Deed of Charge and save to the extent that the Issuer has assets sufficient to meet such claim in full having taken into account all other liabilities both actual and contingent of the Issuer which rank in priority to its liabilities to the Redraw Facility Provider.
 - (d) The Redraw Facility Provider hereby agrees with the Facility Borrower that it shall not, until two years following the payment of all sums outstanding and owing by the Facility Borrower under the Notes, take any corporate action or other steps or legal proceedings for the winding-up, dissolution or re-organisation of the Facility Borrower or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Facility Borrower or of any or all of the Facility Borrower's revenues and assets.
 - (e) No recourse under any obligation, covenant, or agreement of the Facility Borrower 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 Facility Borrower 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 Facility Borrower 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) of the Facility Borrower as such, or any of them, under or by reason of any of the obligations, covenants or agreements of the Facility Borrower contained in this Agreement, or implied therefrom, and that any and all personal liability for breaches by the Facility Borrower 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 hereby expressly waived by the Redraw Facility Provider as a condition of and consideration for the execution of this Agreement.

- (f) Without prejudice to the other provisions of this clause 16.2, the Redraw Facility Provider hereby covenants with the Trustee that if, whether in the liquidation of the Facility Borrower or otherwise (and notwithstanding the provisions of this clause 16.2), any payment (whether of principal, interest or otherwise) 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 Redraw Facility Provider upon trust for the Trustee and shall be paid over to the Trustee forthwith upon receipt provided however that this clause 16.2 (d) shall have effect 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.
- (g) The Trustee acknowledges that it holds the security created pursuant to the Deed of Charge on trust for, *inter alia*, the Redraw Facility Provider and that it is bound by the terms thereof.
- (h) The Redraw Facility Provider hereby covenants with and undertakes to the Trustee that it will not set off or claim to set off any amounts advanced under this Agreement or any interest thereon or any part of either thereof against any liability owed by it to the Facility Borrower save in accordance with any express provisions of the Deed of Charge entitling it to do so.

17. DEFAULT INTEREST

17.1 If the Facility Borrower fails to pay any amount due in accordance with this Agreement the Facility Borrower shall, in accordance with clause 8, pay interest in sterling on that amount from the time of default up to the time of actual payment (after as well as before judgment or decree) at the rate per annum which is the aggregate of:

- (a) the Applicable Rate plus one per cent; and
- (b) the Associated Costs Rate for the relevant day.

17.2 Interest under clause 17.1 shall accrue daily on the amount in default, shall be calculated on the basis of actual days elapsed and a year of 365 days and shall be due and payable monthly in arrear and in accordance with the provisions of clause 18. So long as the default continues, interest payable under clause 17.1 which is unpaid on any Interest Payment Date shall thereafter itself bear interest at the rate provided in clause 17.1.

18. PAYMENTS

18.1 All payments to be made by the Facility Borrower to the Redraw Facility Provider shall be made in sterling for value not later than 2.00 pm (London time) on the relevant day by

means of the CHAPS payment system quoting sort code number 20-19-90 to an account opened in the name of Barclays Bank PLC (Redraw Facility) at Barclays Bank PLC, City Markets Team, London Corporate Banking, First Floor, 54 Lombard Street, London EC3V 9EX and referring such payment for the attention of: Brian Cook.

- 18.2 All amounts to be advanced by the Redraw Facility Provider to the Facility Borrower under this Agreement shall be remitted in sterling not later than 2.00 pm (London time) on the relevant day to the Transaction Account, being at the date of this agreement account number 00736708 sort code 20-19-90, in the name of the Facility Borrower at Barclays Bank PLC, City Markets Team, London Corporate Banking, 1st Floor, 54 Lombard Street, London EC3V 9EX.
- 18.3 All payments by the Facility Borrower under this Agreement, whether in respect of principal, interest, fees or any other item, shall be made in full and free and clear of any restriction or condition whatsoever and without any deduction or withholding (whether in respect of set-off, counterclaim, duties, Taxes, charges or otherwise whatsoever) unless required by law.
- 18.4 Where a deduction or withholding in respect of Tax is required by law to be made in respect of any payment under this Agreement by the Facility Borrower:
- (a) Minimum amount: the Facility Borrower shall ensure that the deduction or withholding does not exceed the minimum amount legally required.
 - (b) Gross-up: there shall be due from the Facility Borrower (subject to clause 18.5) in respect of such payment such amount as after such deduction or withholding has been made is equal to the amount which would have been received by the Redraw Facility Provider had no such deduction or withholding been made.
 - (c) Pay amount withheld to relevant authority: the Facility Borrower shall pay to the relevant Taxation or other authorities within the period for payment permitted by applicable law the full amount of such deduction or withholding (including, but without limitation, the full amount of any deduction or withholding from any additional amount paid pursuant to this sub-clause 18.4(b)).
 - (d) Deliver Tax receipt to lender: furnish to the Redraw Facility Provider, promptly following its receipt or payment to the relevant Taxation authorities as the case may be, either:
 - (i) an official receipt of the relevant Taxation authorities involved in respect of all amounts so deducted or withheld; or
 - (ii) if such receipts are not issued by the Taxation authorities concerned on payment to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding.
 - (e) If the Redraw Facility Provider receives the benefit of a Tax credit or an allowance resulting from a payment made to it by the Facility Borrower which includes any additional amount paid by the Facility Borrower under clause 18.4(b) above, the Redraw Facility Provider shall forthwith pay to the Facility Borrower such part of that benefit as determined in its sole discretion (acting in good faith) as will leave it in no more and no less favourable a position than it would have been in if no additional amount had been required to be paid Provided always that the Redraw Facility Provider shall have absolute discretion as to the order and manner in which it employs or claims or decides not to employ or claim Tax credits and

allowances available to it and shall not be obliged to disclose to the Facility Borrower any information regarding its Tax affairs or computations.

18.5 The Redraw Facility Provider and its successors and assigns shall not be entitled to any additional amounts pursuant to clause 18.4:

- (a) to the extent the requirement for the relevant deduction or withholding would not have arisen if it was or had not ceased to be, otherwise than by reason of any change in law or in any published extra-statutory or revenue concession or a change in the official, generally published interpretation or administration of the same, a Qualifying Lender; or
- (b) if the Redraw Facility Provider is not a Qualifying Lender within paragraph (a) of the definition and has failed to comply with its obligations under clause 13.4.

18.6 If any payment under this Agreement would otherwise be due on a day which is not a Business Day, it shall be due on the next succeeding Business Day or, if that Business Day falls in the following month of the year, on the preceding Business Day.

18.7 (a) The Redraw Facility Provider waives any right it has or may hereafter acquire to combine, consolidate or merge any account which it holds in its capacity as lender with any other account of the Facility Borrower or any liabilities of the Facility Borrower under or in relation to this Agreement and agrees that it will not set off, claim to set off, purport to set off, transfer, combine or withhold payment of any amount which the Facility Borrower is or will become obliged to pay to it against any amount which it is or will become obliged to pay to the Facility Borrower under or in relation to this Agreement save in accordance with any express provision of the Deed of Charge entitling it to so do.

- (b) If, notwithstanding clause 18.7(a), the Redraw Facility Provider makes a payment to the Facility Borrower subject to (or fails to make a payment to the Facility Borrower because of) a set-off or combination, consolidation or merger it will immediately pay to the Facility Borrower an amount equal to the amount by which the payment received by the Facility Borrower was less than the amount which it would have received had no such set-off, combination, consolidation or merger been made.

19. COMMITMENT FEE

The Facility Borrower shall pay to the Redraw Facility Provider a commitment fee, calculated at the rate of 0.15 per cent per annum of an amount equal to the Available Redraw Facility from day to day during the period beginning on the date hereof and ending on and including the Coupon Step-Up Date and thereafter 0.25 per cent per annum of an amount equal to the Available Redraw Facility from day to day and ending on the date on which the Commitment is cancelled pursuant to clause 12 and reduced to zero. Such commitment fee shall be payable in accordance with the Priority of Payments on each Interest Payment Date during such period and on the date that the Redraw Facility is cancelled and reduced to zero pursuant to clause 12.

20. COSTS AND EXPENSES

20.1 The Facility Borrower shall pay on the date of this Agreement to the Redraw Facility Provider an arrangement fee of £12,500. The Facility Borrower shall also pay to the Redraw Facility Provider on demand all reasonable expenses (including legal fees plus disbursements and irrecoverable VAT and out-of-pocket expenses) incurred in connection with the preparation and negotiation of this Agreement or any related documents. The

Facility Borrower shall pay to the Redraw Facility Provider on demand all expenses (including legal and out-of-pocket expenses) incurred in connection with the preservation, enforcement or the attempted preservation or enforcement of any of its rights under this Agreement or any related documents.

- 20.2 The Facility Borrower shall pay any stamp, documentary and other similar duties and Taxes to which this Agreement or any related documents may be subject or give rise except in relation to any such duties or Taxes arising on a transfer or assignment by the Redraw Facility Provider under clause 28 below.
- 20.3 The amounts stated in this Agreement to be payable by the Facility Borrower are exclusive of VAT and the Facility Borrower shall pay VAT or, in the case of reimbursement of costs or expenses, irrecoverable VAT (if any) on such amounts.

21. CALCULATIONS AND EVIDENCE OF DEBT

- 21.1 Interest and the commitment fee shall accrue from day to day and shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.
- 21.2 The Redraw Facility Provider shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and/or owing to it hereunder.
- 21.3 In any legal action or proceeding arising out of or in connection with this Agreement, the entries made in the accounts maintained pursuant to clause 21.2 shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the obligations of the Facility Borrower therein recorded.

22. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

23. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

24. 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 under 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.

25. **DOWNGRADING**

25.1 If the short-term unsecured unsubordinated and unguaranteed debt or securities rating of the Redraw Facility Provider is downgraded by Moody's or S&P from P-1 and A-1+ respectively and such Rating Agencies confirm in writing that such downgrade will affect the then current rating of the Notes then:

- (a) the Facility Borrower shall have a period of 30 Business Days from the date on which such downgrading is notified to the Facility Borrower (the "**Arrangement Period**") to use its reasonable endeavours to arrange for a bank or financial institution (the "**Substitute Bank**") to provide a facility to the Facility Borrower on terms and conditions which are agreed by the Trustee and which the Rating Agencies confirm in writing will not affect the then current rating of the Notes provided that the Facility Borrower shall not be obliged to incur costs thereby;
- (b) if the Facility Borrower successfully arranges for a Substitute Bank pursuant to clause 25.1(a) then the Commitment shall be cancelled and reduced to zero with effect from the day that the Substitute Bank enters into such a new facility with the Facility Borrower;
- (c) if the Facility Borrower is unable to arrange a Substitute Bank within the Arrangement Period, then the Available Redraw Facility at that time of the Redraw Facility Provider shall be fully drawn down pursuant to this Agreement by the Facility Borrower (and may be subsequently fully re-drawn pursuant to this Agreement) until a Substitute Bank has been appointed.

26. **NOTIFICATION TO TRUSTEE AND RATING AGENCIES**

If there shall occur any of the following:

- (a) the delivery to the Redraw Facility Provider by the Facility Borrower of a notice of cancellation under clause 12;
- (b) the delivery to the Redraw Facility Provider by the Facility Borrower of a notice of any proposed amendments to any of the Documents;
- (c) a revised Redraw Facility Limit being agreed pursuant to clauses 9.1 or 9.3; or
- (d) any of the events referred to in clause 16 hereof and a notification under clause 16.1 by the Redraw Facility Provider to the Facility Borrower,

then, the party issuing any such notification undertakes to use its reasonable endeavours to ensure that the Trustee and the Rating Agencies are informed of any such notification.

27. **BENEFIT OF AGREEMENT**

27.1 This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and assigns.

27.2 It is hereby agreed that the Trustee is only a party to this document in order to obtain the benefits of the covenants and undertakings of the Facility Borrower for the Secured Creditors and the Trustee shall not assume any of the obligations, responsibilities or liabilities of any of the other parties to this Agreement.

28. **ASSIGNMENTS AND TRANSFERS**

- 28.1 (a) The Facility Borrower shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder except pursuant to the Deed of Charge.
- (b) The Redraw Facility Provider shall be entitled to grant its portion of the Redraw Facility through an alternative Facility Office or transfer the Commitment to a wholly owned subsidiary which, in each case, is within the charge to United Kingdom corporation tax as respects payments made and received under this Agreement provided that:
- (i) such Facility Office or subsidiary has a short-term unsecured, unsubordinated and unguaranteed debt rating of P-1 from Moody's or A-1+ from S&P;
- (ii) any such Facility Office or subsidiary covenants by deed for the benefit of the Facility Borrower to comply as the "Redraw Facility Provider" with the provisions of the Redraw Facility Agreement and the Deed of Charge, and to participate in all Advances made after the date of such deed subject to and on the terms of the Redraw Facility Agreement.
- (c) The Redraw Facility Provider may, with the prior written consent of the Facility Borrower (such consent not to be unreasonably withheld or delayed) assign or novate all or any part of its rights and obligations hereunder to another bank or financial institution provided that such other bank or financial institution is within the charge to United Kingdom corporation Tax as respects payments made and received under this Agreement and provided further that it:
- (i) has a short term unsecured debt rating of P-1 from Moody's and A-1+ from S&P and the Rating Agencies confirm in writing that such assignment or novation would not affect the then current rating of the Notes;
- (ii) covenants by deed for the benefit of the Facility Borrower to comply as the "Redraw Facility Provider" with the provisions of the Redraw Facility Agreement and the Deed of Charge and to perform the obligations of the transferring Redraw Facility Provider hereunder as fully as if it had been an original signatory hereto: and
- (iii) provides a legal opinion satisfactory to the Trustee that the obligations of such other bank or financial institution are legal, valid and enforceable.
- (d) If the Redraw Facility Provider assigns or transfers any of its rights or obligations under this Agreement or changes its Facility Office and, as a result of circumstances existing at the date the assignment, transfer or change occurs, the Facility Borrower would be obliged to make a payment to the new Redraw Facility Provider or Redraw Facility Provider acting through its new Facility Office under clause 10.2 or 18.4, then the new Redraw Facility Provider or Redraw Facility Provider acting through its new Facility Office, is only entitled to receive payment under those clauses to the same extent as the existing Redraw Facility Provider or Redraw Facility Provider acting through its previous Facility Office would have been entitled if the assignment, transfer or change had not occurred.
- 28.2 The Redraw Facility Provider may not enter into any sub-participation agreement in respect of the whole or any part of the Commitment without the prior written consent of the Facility Borrower and the Trustee (such consent not to be unreasonably withheld or delayed).

29. **COUNTERPARTS**

This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument. Any such counterpart may be a facsimile transmission copy thereof.

30. **ECONOMIC AND MONETARY UNION**

30.1 Clause 30.2 to clause 30.5 (inclusive) shall come into effect on the date on which the United Kingdom participates in the third stage of European economic monetary union or otherwise participates in European economic monetary union with similar effect to such third stage (the "**Commencement Date**") provided that, if and to the extent that any such clause relates to any state (or the currency of such state) which shall not be a participating member state on the Commencement Date, such clause shall come into effect in relation to such state (and the currency of such state) on and from the date on which such state becomes a participating member state and further provided that on or before such date the Notes have been redenominated into the euro unit.

30.2 Each obligation under this Agreement which has been denominated in a national currency unit shall be redenominated into the euro unit in accordance with EMU legislation. However if and to the extent that any EMU legislation provides that an amount (which is (a) denominated either in the euro or in the national currency unit of a participating member state and (b) payable within that participating member state by crediting an account of the creditor) can be paid by the debtor either in the euro unit or in that national currency unit, each party to this Agreement shall be entitled to pay or repay any such amount either in the euro unit or in such national currency unit.

30.3 In relation to any amount denominated or to be denominated in the euro or a national currency unit, any reference to a Business Day shall be construed as a reference to a day (other than a Saturday or Sunday) on which banks are generally open for business in:

- (a) London; and
- (b) the principal financial centre(s) in such participating member state(s) as the Redraw Facility Provider shall from time to time nominate for this purpose.

30.4 Any amount payable by the Facility Borrower to the Redraw Facility Provider under this Agreement in the currency of a participating member state shall be paid in immediately available, freely transferable cleared funds in the euro unit.

30.5 Without prejudice and in addition to any method of conversion or rounding prescribed by any EMU legislation:

- (a) each reference in this Agreement to a minimum amount (or an integral multiple thereof) in a national currency unit to be paid to the Redraw Facility Provider shall be replaced by a reference to such reasonably comparable and convenient amount (or an integral multiple thereof) in the euro unit as the Redraw Facility Provider may from time to time specify: and
- (b) save as expressly provided in this clause 30, this Agreement shall be subject to such reasonable changes of construction as the Redraw Facility Provider may from time to time specify to be necessary or appropriate to reflect the introduction of or changeover to the euro in participating member states,

Provided that this clause shall not reduce or increase for the Redraw Facility Provider any actual or contingent liability arising under this Agreement and in so far as any costs are incurred by the Redraw Facility Provider, the Facility Borrower shall from time to time on demand pay such amounts to the Redraw Facility Provider (other than any general overheads or internal costs incurred by the Redraw Facility Provider) as a result of the changeover to, introduction or operation of the euro in any participating member state.

31. **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.

32. **LAW**

This Agreement shall be governed by, and construed in accordance with, English law.

33. **JURISDICTION**

The Facility Borrower, the Trustee and the Redraw Facility Provider irrevocably agree that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submit to the jurisdiction of such courts.

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

Signed by)
for and on behalf of) /s/ Andrew Vaughan
First Flexible No.5 plc)

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

Signed by)
for and on behalf of) /s/ Remi Bola
JPMorgan Chase Bank)

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

SCHEDULE I

Conditions Precedent Documents

1. A copy, certified a true copy by a duly authorised officer of the Facility Borrower, of the Memorandum and Articles of Association of the Facility Borrower.
2. A copy, certified a true copy by the Company Secretary or a director or other authorised signatory of the Facility Borrower, of a Board Resolution of the Facility Borrower approving the execution, delivery and performance of this Agreement and the terms and conditions hereof and authorising a named person or persons to sign on behalf of the Facility Borrower this Agreement and any of the Documents to which the Facility Borrower is expressed to be a party and any documents or notices to be delivered pursuant thereto.
3. A certificate of the Company Secretary or a director of the Facility Borrower setting out the names and signatures of the persons authorised to sign on behalf of the Facility Borrower this Agreement and any of the Documents to which the Facility Borrower is expressed to be a party and any documents or notices to be delivered pursuant thereto.
4. The Notes being issued on the Issue Date and the purchase price under the Mortgage Sale Agreement having been paid, each confirmed by fax on the Issue Date from Lovells to the Redraw Facility Provider.
5. Copies of duly executed engrossments of:
 - (a) This Agreement;
 - (b) The Deed of Charge; and
 - (c) The Master Definitions Schedule.

SCHEDULE II

Notice of Drawdown

From: First Flexible No.5 plc

To: Barclays Bank PLC

Dear Sirs,

1. We refer to the redraw facility agreement (the "**Redraw Facility Agreement**") dated 11 June 2002 and made between, inter alia, First Flexible No.5 plc as Facility Borrower and yourselves as Redraw Facility Provider. Terms defined in the Redraw Facility Agreement shall have the same meaning in this notice.
2. We hereby give you notice that, pursuant to the Redraw Facility Agreement and upon the terms and subject to the conditions contained therein, we wish the following Advance(s) to be made to us:
 - (a) Amount
 - (b) Drawdown Date
 - (c) Term
3. We hereby confirm:
 - (a) the Advance to be provided represents the excess of the aggregate of the amount available to purchase the right to repayment of Redraws, including Payment Holidays, under item (x) of the Priority of Payments on the forthcoming Interest Payment Date excluding for the purposes of this test amounts available to be drawn under the Redraw Facility;
 - (b) the conditions set out in clauses 7.1(a) to (d) of the Redraw Facility Agreement are met for the purposes of this Notice.

Yours faithfully,

.....
for and on behalf of
FIRST FLEXIBLE NO. 5 PLC

SCHEDULE III

Associated Costs Rate

1. For the purposes of this Agreement, the cost of compliance with existing requirements of the Bank of England in respect of Advances denominated in sterling will be calculated by the Redraw Facility Provider in relation to each Advance on the basis of the Redraw Facility Provider's own rates by reference to the circumstances existing on the first day of each Term in respect of such Advance and, if any such Term exceeds three months, at three calendar monthly intervals from the first day of such Term during its duration in accordance with the following formula:

$$\frac{XL + S(L - D) + F \times 0.01}{100 - (X + S)}$$

Where:

- X is the percentage of Eligible Liabilities (in excess of any stated minimum) which the Redraw Facility Provider is from time to time required under or pursuant to the Bank of England Act 1988 (the "Act") to maintain cash ratio deposits with the Bank of England.
- L is the percentage rate per annum at which sterling deposits for the relevant period are offered by the Redraw Facility Provider to leading banks in the London Interbank market at or about 11.00 a.m. on that day.
- F is the rate of charge payable by the Bank to the Financial Services Authority (the "FSA") pursuant to paragraph 2.02(b) or 2.03(b) (as applicable) of the Fees Regulations (but where, for this purpose, the figure at paragraph 2.02 or 2.03 (as applicable) shall be deemed to be zero) and expressed in pounds per £1 million of the Fee Base of the Redraw Facility Provider.
- S is the level of Special Deposits, expressed as a percentage of Eligible Liabilities, which the Redraw Facility Provider is required to maintain by the Bank of England (or any other United Kingdom Agency).
- D is the percentage rate per annum payable by the Bank of England to the bank on Special Deposits.

X, L, S and D are to be expressed in the formula as numbers and not as percentages. A negative result obtained from subtracting D from L shall be counted as zero.

2. For the purposes of this Schedule:

"Eligible Liabilities" and **"Special Deposits"** have the meanings ascribed to them under or pursuant to the Act, or by the Bank of England (as may be appropriate) on the day of application of the formula.

"Fee Base" has the meaning given to it for the purpose of, and shall be calculated in accordance with, the Fees Regulations.

"Fees Regulations" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits.

3. If there is any change in circumstance (including the introduction of alternative or additional requirements and/or any change in the interpretation or application of any requirement) which in the reasonable opinion of the Redraw Facility Provider renders or will render the method of calculating the Associated Costs Rate wholly or partly inappropriate, the Redraw Facility Provider can (after consultation with the Facility Borrower) vary the method of calculating the Associated Costs Rate by notifying the Facility Borrower of the new method. Any such variation shall, save for manifest error, be conclusive and binding on all parties and shall apply from the date specified in that notification.
4. The Associated Costs Rate attributable to the Advance or other sum for any period shall be calculated at or about 11.00 a.m. (London time) on the first day of such period for the duration of such period.
5. The determination of the Associated Costs Rate in relation to any period shall, in the absence of manifest error, be conclusive and binding on the parties hereto.

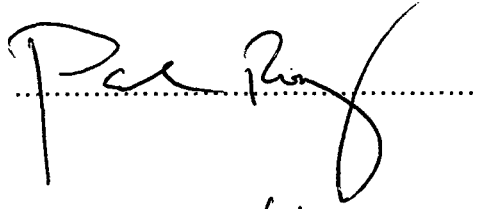
FIRST FLEXIBLE NO.5 PLC
Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS
Telephone: 01372 737737 Facsimile: 01372 737777

Registered in England & Wales Number 4236601

To Barclays Bank PLC in its capacity as the Redraw Facility Provider under a redraw facility agreement dated 11 June 2002 and made between, inter alios, Barclays Bank PLC and First Flexible No.5 plc ("FF5") (the "Redraw Facility Agreement").

I hereby certify that the the following persons are authorised to sign on behalf of FF5 the Redraw Facility Agreement and any of the Documents (as defined in the Redraw Facility Agreement) to which FF5 is expressed to be a party and any documents or notices to be delivered pursuant thereto.

Paul Rogers



Andrew Vaughan



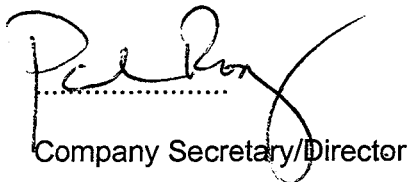
Anthony Ward



Gillian Wellman

..... NOT AVAILABLE

Signed on behalf of FF5



Company Secretary/Director