

**CONFORMED COPY**

**Allen & Overy LLP**

**GUARANTEED INVESTMENT CONTRACT**

ABBEY COVERED BONDS LLP  
as the LLP

and

ABBEY NATIONAL plc  
as Cash Manager and GIC Provider

and

DEUTSCHE TRUSTEE COMPANY LIMITED  
as Security Trustee

Date 3 June, 2005

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**THIS AGREEMENT** is made on 3 June, 2005

**BETWEEN:**

- (1) **ABBEY COVERED BONDS LLP** (registered number OC312644), a limited liability partnership incorporated under the laws of England and Wales, whose registered office is at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN, referred to herein as the **LLP**;
- (2) **ABBEY NATIONAL plc** (registered number 2294747), a public limited company incorporated under the laws of England and Wales whose registered office is at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN (in its capacity as **Cash Manager** and in its capacity as **GIC Provider**); and
- (3) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (in its capacity as **Security Trustee**).

**WHEREAS:**

- (A) As part of the transactions contemplated in the Programme, the Seller has agreed to sell Loans and their Related Security to the LLP pursuant to the terms of the Mortgage Sale Agreement.
- (B) The LLP proposes to fund its purchase of the Loans and their Related Security by, amongst other things, drawings under the Term Advances provided by the Issuer pursuant to the Intercompany Loan Agreement, which in turn will be funded by the Issuer by the proceeds of the Covered Bonds issued by the Issuer from time to time under the Programme.
- (C) The Cash Manager has agreed, pursuant to the Cash Management Agreement, to provide Cash Management Services in connection with the business of the LLP.
- (D) The Cash Management Agreement provides that the LLP shall invest its liquid funds from time to time in interest bearing accounts and the GIC Provider is willing to provide such an account pursuant to and on the terms of this Agreement and the Bank Account Agreement.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

The master definitions and construction agreement made between, *inter alia*, the parties to this Agreement on 3 June 2005 (as the same may be amended, varied and/or supplemented from time to time, the **Master Definitions and Construction Agreement**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Agreement (as so amended, varied and/or supplemented) shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in **Clause 2** of the Master Definitions and Construction Agreement.

**2. THE GIC ACCOUNT**

The GIC Provider confirms that (on the instructions of the LLP) the GIC Account has been opened in its books in the name of the LLP, and it agrees to accept on deposit in the GIC Account all monies transferred, from time to time, to the GIC Account, subject to and upon the terms of this Agreement,

the Bank Account Agreement, the Cash Management Agreement, the Deed of Charge and the LLP Deed.

### **3. INTEREST**

- 3.1 Interest shall accrue daily on the GIC Balance and shall be paid monthly in arrears on the first day of the following month (or if such day is not a London Business Day, the next succeeding London Business Day) at a rate of interest equal to the GIC Rate (calculated on the basis of the actual number of days elapsed and a 365 day year) by payment for value on the same day to the GIC Account or such other accounts as the LLP shall specify.
- 3.2 On any day on which interest is payable by the GIC Provider under this Agreement, the GIC Provider shall pay the amount of interest then due in immediately available, freely transferable, cleared funds by no later than the close of business on that day (or if such day is not a London Business Day, the next succeeding London Business Day).
- 3.3 In the event that an LLP Acceleration Notice is served on the LLP, then, on the date of such LLP Acceleration Notice, the GIC Provider shall pay to the Security Trustee the aggregate of all interest accrued on the GIC Account on each day during the month in which such LLP Acceleration Notice is served up to (but excluding) the date of such LLP Acceleration Notice. As and from the date of such LLP Acceleration Notice, the GIC Provider shall comply with the directions of the Security Trustee in relation to the GIC Account given in accordance with this Agreement.

### **4. WITHDRAWALS AND DEPOSITS**

- 4.1 Subject always to the provisions of the Cash Management Agreement, the Bank Account Agreement, the Deed of Charge and the LLP Deed, the LLP, or the Cash Manager on behalf of the LLP, may on any London Business Day give notice to the GIC Provider that it wishes to withdraw on such date all or part of the GIC Balance from the GIC Account and the GIC Provider shall comply with such notice and pay the amount specified in such notice to the account specified therein, provided that if any such notice is received after 12 noon (London time) on any day it shall be deemed to have been received at the opening of business on the next following London Business Day.
- 4.2 The LLP may deposit, or procure the deposit of, sums in the GIC Account, to the extent permitted by the terms of the Cash Management Agreement, the Bank Account Agreement, the Deed of Charge and the LLP Deed, and the GIC Provider agrees to accept and credit to the GIC Account such sums in accordance with the terms hereof.

### **5. TERMINATION**

Following termination of the Bank Account Agreement and/or closing of the GIC Account in accordance with **Clause 7 (Termination)** of the Bank Account Agreement, the LLP or the Security Trustee may terminate this Agreement by serving a written notice of termination on the GIC Provider.

### **6. WARRANTIES**

- 6.1 The GIC Provider warrants to the LLP and the Security Trustee at the date hereof, on each date on which an amount is credited to the GIC Account and on each LLP Payment Date, that it is duly established under the laws of England and Wales and is an institution authorised to carry on banking business (including accepting deposits) under the FSMA.

6.2 The GIC Provider undertakes to notify the LLP and the Security Trustee immediately if, at any time during the term of this Agreement, either of the statements contained in **Clause 6.1** ceases to be true. The warranties set out in **Clause 6.1** shall survive the signing and delivery of this Agreement.

## 7. ASSIGNMENT

7.1 Save as otherwise contemplated in this Agreement or the Cash Management Agreement, no party hereto (other than the Security Trustee) may assign or transfer any of its rights or obligations hereunder without the prior written consent of the Security Trustee and unless each Rating Agency has confirmed that such assignment or transfer would not adversely affect the then current ratings of the Covered Bonds. In any event any assignee of the GIC Provider must be an institution authorised to carry on banking business (including accepting deposits) under the FSMA.

7.2 Notwithstanding the provisions of **Clause 7.1** above, the parties hereto acknowledge that the LLP may assign all its rights, title and interest in this Agreement to the Security Trustee, for the benefit of the Secured Creditors, under the Deed of Charge.

## 8. AGENCY

The GIC Provider agrees and confirms that, unless otherwise notified by the LLP or the Security Trustee, the Cash Manager, as agent of the LLP, may act on behalf of the LLP under this Agreement.

## 9. INFORMATION

The GIC Provider shall provide to the Security Trustee, or procure the provision to the Security Trustee of, such information and evidence in respect of any dealing between the LLP and the GIC Provider or otherwise under or in relation to this Agreement as the Security Trustee may reasonably request and the LLP hereby 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 9**.

## 10. PAYMENTS AND WITHHOLDINGS

The parties agree that payments required to be made hereunder shall be made in accordance with **Clause 2** of the Bank Account Agreement and that **Clauses 13** and **14** of the Bank Account Agreement shall, to the extent that it relates to the GIC Account, be incorporated in and shall apply to, *mutatis mutandis*, this Agreement (and for this purpose references to any "Account Bank" shall be deemed to be the Account Bank at which the GIC Account is maintained from time to time) such that all payments to be made by the GIC Provider hereunder will be made upon the terms and subject to the same conditions as are set out in **Clauses 13** and **14** of the Bank Account Agreement.

## 11. NOTICES

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched (where delivered by hand) on the day of delivery if delivered before 5.00 p.m. on a London Business Day or on the next London Business Day if delivered thereafter or on a day which is not a London Business Day or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the LLP, to Abbey Covered Bonds LLP, c/o Abbey National plc, Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number (44) 20 7756 5627) for the attention of the Company Secretary with a copy to Abbey Covered Bonds LLP, c/o Abbey National plc, Abbey House, (AAM 129), 201 Grafton Gate East,

Milton Keynes MK9 1AN (facsimile number (44) 1908 343019) for the attention of the Securitisation Team, Consumer Risk;

- (b) in the case of the GIC Provider and the Cash Manager, to Abbey National plc at Abbey National House, 2 Triton Square, Regent's Place, London NW1 3AN (facsimile number (44) 20 7756 5627) for the attention of the Company Secretary with a copy to Abbey National plc, Abbey House, (AAM 129), 201 Grafton Gate East, Milton Keynes MK9 1AN (facsimile number (44) 1908 343019) for the attention of the Securitisation Team, Consumer Risk; and
- (c) in the case of the Security Trustee, to Deutsche Trustee Company Limited at Winchester House, 1 Great Winchester Street, London EC2N 2DB (facsimile number (44) 20 7547 5919) for the attention of the Managing Director,

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this **Clause 11**.

## **12. COUNTERPARTS**

This Agreement may be executed in any number of counterparts (manually or by facsimile), and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

## **13. THE SECURITY TRUSTEE**

- 13.1 If there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the LLP, the Cash Manager and the GIC Provider shall execute such documents and take such action as the successor Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor Security Trustee the rights and powers of the outgoing Security Trustee under this Agreement.
- 13.2 It is hereby acknowledged and agreed that by its execution of this Agreement the Security Trustee shall not assume or have any obligations or liabilities to the LLP, the Cash Manager or the GIC Provider under this Agreement notwithstanding any provision herein and that the Security Trustee has agreed to become a party to this Agreement for the purpose only of taking the benefit of this Agreement and agreeing to amendments to this Agreement pursuant to **Clause 14**. For the avoidance of doubt, the parties to this Agreement acknowledge that the rights and powers of the Security Trustee are governed by the Deed of Charge. Any liberty or right which may be exercised or determination which may be made under this Agreement by the Security Trustee may be exercised or made in the Security Trustee's absolute discretion without any obligation to give reasons therefor and the Security Trustee shall not be responsible for any liability occasioned by so acting but subject always to the provisions of **Clause 11.1 (Liability)** of the Deed of Charge.

## **14. AMENDMENTS**

Subject to **Clause 22.7 (Modification to Transaction Documents)** of the Deed of Charge, any amendment, modification or variation to this Agreement will be made only with the prior written consent of each party to this Agreement.

## **15. EXCLUSION OF THIRD PARTY RIGHTS**

The parties to this Agreement do not intend that any term of this Agreement should be enforced, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this

Agreement but without prejudice to the rights of the Security Trustee as assignee under the Deed of Charge.

**16. GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of England.

**17. SUBMISSION TO JURISDICTION**

Each party to this Agreement hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement on the day and year first before written.

**SIGNATORIES**

**SIGNED** by  
**ABBEY COVERED BONDS LLP**  
acting by its attorney

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**SIGNED** by  
**ABBEY NATIONAL plc**  
acting by its attorney

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**SIGNED** by  
duly authorised  
for and on behalf of  
**DEUTSCHE TRUSTEE COMPANY**  
**LIMITED**

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