

FOR INFORMATION PURPOSES ONLY
MARKED TO SHOW CHANGES IMPLEMENTED BY
AMENDMENT AGREEMENT NO. 1 TO THE DIRECT AGREEMENT

DATED ~~December 2003~~

HBS BUSINESS SERVICES GROUP LIMITED
as Partner

THE COUNCIL OF THE BOROUGH OF MILTON KEYNES
as Council

and

FIVE ARROWS LEASING ~~GROUP~~ LIMITED
as Lender

DIRECT AGREEMENT

relating to the
Public Private Partnership Agreement
dated 24 December 2003 as amended by the Amendment Agreement No. 1 to the
Public Private Partnership Agreement dated [•] August 2006
relating to the provision of certain infrastructure
to the Council of the Borough of Milton Keynes

*berwin leighton paisner

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DATED **December 2003**

PARTIES

- (1) **HBS BUSINESS SERVICES GROUP LIMITED**, a company incorporated in England and Wales (company registered number 03679828) whose registered office is at Carmelite, 50 Victoria Embankment, London EC4Y 0DX (the "**Partner**");
- (2) **THE COUNCIL OF THE BOROUGH OF MILTON KEYNES**, whose principal office is at Civic Offices, 1 Saxon Gate East, Central Milton Keynes, MK9 3HQ (the "**Council**"); and
- (3) **FIVE ARROWS LEASING GROUP LIMITED**, a company incorporated in England and Wales (company registered number 201863985810) whose registered office is at Heron House, 5 Heron Square, Richmond, Surrey, TW9 1EL (the "**Lender**").

BACKGROUND

- (A) The Lender has agreed to make available to the Partner a credit facility in the amount of up to £ 45,38628,7613 pursuant to the Facility Agreement.
- (B) It is a condition precedent to the obligation of the Lender to make available the facility to the Partner under the Facility Agreement that the Partner executes and delivers to the Lender this Direct Agreement.
- (C) The Council is empowered to procure certain services pursuant to Section 2(1) of the 2000 Act, Section 111 of 1972 Act, Section 70 of the 1994 Act and Section 1(1) of the 1997 Act.
- (D) The Chief Finance Officer of the Council intends to issue a Certificate pursuant to Section 3(4) of the 1997 Act.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless a contrary indication appears:

"**1972 Act**" means the Local Government Act 1972.

"**1994 Act**" means the Deregulation and Contracting Out Act 1994.

"**1997 Act**" means the Local Government (Contracts) Act 1997.

"**2000 Act**" means the Local Government Act 2000.

"**Account Bank**" means Natwest in its capacity as the bank with which the Proceeds Account is opened and maintained.

"**Confidential Information**" shall mean all information in whatever form which is of a confidential nature. For the purposes of this definition, information shall be

deemed to be of a confidential nature if it is secret, not generally known and/or not easily accessible by others, if it is of a commercially and/or politically sensitive nature, if it constitutes or could be deemed to constitute personal and/or sensitive data for the purposes of the Data Protection Act 1998, if it falls within the scope of Part II of the Freedom of Information Act 2000, if it is marked private, sensitive, secret and/or confidential or if either party has indicated in making the disclosure that the information is private, sensitive, secret and/or confidential.

"Contract Price" means the annual price payable in respect of the Services calculated in accordance with clause 40 of the Public Private Partnership Agreement.

"Deferred Compensation" has the meaning given to it in Clause 4.3.2.

"Drawdown Notice" means a notice served by the Partner to the Lender requesting the drawdown of a loan under the Facility Agreement.

"Facility Agreement" means the credit facility agreement dated ~~the same date as this Agreement and made~~24 December 2003 between (i) the Partner and (ii) Five Arrows Leasing Group Limited, as novated by a Deed of Novation No. 1 to the Facility Agreement dated [●] August 2006 between (i) the Partner, (ii) the Lender and (iii) Five Arrows Leasing Group Limited and as amended by the Amendment Agreement No. 1 to the Facility Agreement dated [●] August 2006 between (i) the Partner and (ii) the Lender.

"Finance Document" means

- (a) the Facility Agreement;
- (b) each Security Assignment;
- (c) each Trust Deed;
- (d) this Agreement;
- (e) the Priorities Deed;
- (f) any other document (whether or not it creates a Security Interest) which is executed as security for, or for the purpose of establishing a priorities subordination arrangement in relation to, the Secured Liabilities; ~~and~~
- (g) any other document designated as such by the Lender and the Partner; and
- (h) any amendment to and/or novation of the documents described at (a) to (g) above, entered into by the Parties.

"Final Discharge Date" means the date on which the Security Period expires.

"Funded ICT Deliverables" has the meaning given to it in the Public Private Partnership Agreement and **"Funded ICT Deliverable"** means any one of the ~~7~~13 defined categories of them.

"Implementation Certificate" has the meaning given to it in the Public Private Partnership Agreement.

“**Loan**” has the meaning given to it in the Schedule.

“**Natwest**” means National Westminster Bank PLC acting through its branch at 27 High Street, Brecon, Powys, LD3 7LF.

“**Natwest Finance Documents**” means

- (a) a debenture dated 8 December 2000 and made between (i) the Partner and (ii) Natwest; and
- (b) a charge dated 10 September 2003 and made between (i) the Partner and (ii) Natwest.

“**Monthly Charge**” means the Contract Price for the Year in question divided by the number of calendar months in that Year.

“**Priorities Deed**” means the deed of priorities ~~to be entered into amongst~~ dated 23 December 2003 between (i) Natwest, (ii) ~~the Lender~~ Five Arrows Leasing Group Limited and (iii) the Partner in respect of the Finance Documents and the Natwest Finance Documents as novated by a Novation Deed dated on or about 6 December 2005 between (i) Natwest, (ii) the Lender, (iii) the Partner and (iv) Five Arrows Leasing Group Limited and as amended by the Amendment Agreement No. 1 to the Deed of Priorities dated [●] August 2006 between (i) Natwest, (ii) the Lender and (iii) the Partner.

“**Proceeds Account**” means the account in the name of the Partner with the Account Bank, designated “HBS Business Services Group – Proceeds Account”, Sort Code 51-81-29, Account Number 86506625, or any other account which is designated by the Lender as the Proceeds Account.

“**Public Private Partnership Agreement**” means the public private partnership agreement dated ~~the same date as this Agreement and made~~ 24 December 2003 between (i) the Council and (ii) the Partner as amended by the Amendment Agreement No. 1 to the Public Private Partnership Agreement dated [●] August 2006 between (i) the Council and (ii) the Partner.

“**Put Option**” means the option granted to the Partner pursuant to clause 59.1.2 of the Public Private Partnership Agreement.

“**Relevant Part**” means the amount of the Monthly Charge that is equal to the Repayment Instalment in respect of each Loan due on a Repayment Date under the Facility Agreement.

“**Repayment Date**” means the date on which a Repayment Instalment is payable pursuant to the Facility Agreement.

“**Repayment Schedule**” means, in relation to a Loan, the schedule of Repayments Instalments determined by the Lender and issued to the Partner under the Facility Agreement.

“**Repayment Instalment**” means each repayment instalment in respect of a Loan as described in more detail in the Schedule.

“**Security Assignment**” means a deed creating security in respect of an SLV Payment.

"Secured Liabilities" means all present and future obligations and liabilities, actual or contingent, of the Partner to the Lender under or in connection with the Finance Documents or any of them.

"Security Interest" means any mortgage, pledge, lien, charge, assignment, hypothecation of security or security interest or any other agreement or arrangement having the effect of conferring security.

"Security Period" means the period beginning on the date of the Facility Agreement and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

"SLV Payment" means any sum calculated in accordance with the Schedule and payable by the Council to the Partner (or as the Partner may direct, with the consent of the Lender) in respect of the total or partial termination of the Public Private Partnership Agreement payable pursuant to clause 59.1.7.2 of the Public Private Partnership Agreement.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under the Public Private Partnership Agreement.

"Termination Notice" means a notice served under the terms of the Public Private Partnership Agreement, under which either party serves notice to the other party to terminate the Public Private Partnership Agreement.

"Trust Assets" means the Relevant Part in respect of the relevant Loan, as specified in schedule 2 to the Trust Deed.

"Trust Deed" means each trust deed creating a trust over certain Trust Assets.

1.2 *Defined Terms*

Defined terms in the Public Private Partnership Agreement shall have the same meaning when used in this Agreement unless otherwise expressly defined in this Agreement.

1.3 *Inconsistency between Public Private Partnership Agreement and this Agreement*

This Agreement shall be read together with the Public Private Partnership Agreement, but in case of any inconsistency between the Public Private Partnership Agreement and this Agreement, this Agreement shall prevail.

1.4 *Third party rights*

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

2 **CONSENT TO TRUSTS AND SECURITY**

2.1 *Consent to security*

2.1.1 The Council consents to, the creation of the Security interests in respect of each SLV Payments pursuant to each Security Assignment.

2.1.2 The Council shall execute an acknowledgement in respect of the assignment of each SLV Payment pursuant to each Security Assignment.

2.1.3 The Council confirms that it has not received notice of any other Security Interest or any trust in respect of any SLV Payment.

2.2 *Consent to trust*

2.2.1 To the extent necessary pursuant to any document to which the Council is a party or for compliance with law or regulation, the Council consents to the creation of the trusts in respect of the Trust Assets pursuant to each Trust Deed.

2.2.2 The Council confirms that it has not received notice of any other trust or any Security Interest in respect of the Monthly Charge.

2.3 *Consent to 1997 Act certificates*

2.3.1 The Lender consents to the issue of the certificate under Section 3 of the 1997 Act by the Council.

2.3.2 The Council warrants that it will comply with all the certification requirements set out in Section 3 of the 1997 Act within the due certification period for such requirements.

3 **UNDERTAKINGS**

3.1 *Introduction*

3.1.1 The Council and the Partner shall comply with this Clause 3 at all times, except as the Lender may otherwise permit:

3.2 *Public Private Partnership Agreement*

The Council and the Partner agree not to make any amendments to the Public Private Partnership Agreement, where such amendment affects clause 59.1.7 of the Public Private Partnership Agreement, the mechanism or timing of the SLV Payments, the events which entitle the Partner to receive the SLV Payments or the timing of any Monthly Charge, unless, in each case, the Lender has given its prior written consent.

3.3 *Notices*

The Council agrees to promptly provide the Lender with copies of any Termination Notices, any document evidencing a waiver by the Council of its rights to terminate the Public Private Partnership Agreement or any such other information, which the Lender may reasonably request in writing from time to time that is delivered to the Partner in relation to the Public Private Partnership Agreement.

3.4 *Financial information*

3.4.1 The Partner shall, where requested to provide detailed financial assessments or information to the Council under the terms of the Public Private Partnership Agreement, ensure that the Council receives such financial information (in sufficient detail) setting out the outstanding Repayment Instalments in respect to each Loan relating to the relevant Funded ICT Deliverable.

3.4.2 The Lender agrees to co-operate with the Partner in providing such information, where requested to do so.

3.5 *Put Option*

If the Put Option has become capable of being exercised, the Partner shall, promptly (but in any event not later than 2 Business Days from the date of receipt by the Council of the updated information referred to in clause 59.1.3 of the Public Private Partnership Agreement) on the direction of the Lender, serve a notice on the Council electing to exercise the Put Option.

4 **PAYMENT UNDERTAKINGS AND MECHANICS**

4.1 *Payment of Monthly Charges*

4.2.1 The Council shall (and the Partner directs the Council to) make all payments under the Public Private Partnership Agreement to the Proceeds Account, subject only to Clause 4.2 or otherwise notified in writing by the Lender.

4.2.2 The Lender agrees to provide the Council with a copy of the relevant Repayment Schedule at the same time as it provides a copy to the Partner under the Facility Agreement.

4.2 *Calculation of SLV Payments*

The procedure for the calculation of SLV Payments is set out in accordance with the Schedule to this Agreement.

4.3 *Payment of SLV Payments*

4.3.1 Subject to Clause 4.3.2, the Council shall (and the Partner directs the Council to) make all payments of the SLV Payments made by the Council in the event of either a termination, termination of part or variation of the Public Private Partnership Agreement to Account Number 00612594, (Quoting Reference "NC Leasing (UK) Limited"), Sort Code 12-01-03, with Bank of Scotland, London Chief Office at 38 Threadneedle Street, London EC2P 2EH.

4.3.2 The Council may elect within 10 Business Days of the service of a Termination Notice under the Public Private Partnership Agreement to pay the SLV Payments by instalments (the "**Deferred Compensation**").

4.3.3 The Lender shall provide the Council with details of the amount of the Deferred Compensation, including the amount each number of the outstanding Repayment Instalments under the Facility Agreement and shall offer terms to the Council for the payment of the Deferred Compensation.

4.3.4 The terms for the payment of the Deferred Compensation offered by the Lender to the Council shall be at least equivalent to or better than the equivalent terms under the Facility Agreement and shall take into account the then market rates applicable to lending to a Local Authority public body with the same or equivalent credit rating as the Council.

4.3.5 Notwithstanding the termination of the Public Private Partnership Agreement, the Council shall make all payments of Deferred Compensation to the account referred to in Clause 4.3.1 or such other account as the Lender may from time to time specify to the Council.

4.3.6 Until the Final Discharge Date, all rights, claims, discretions and remedies in respect of the Deferred Compensation shall be exercisable by the Lender to the exclusion of the Partner.

4.4 *Nature of payment instructions*

4.4.1 The instructions by the Company to the Council to make such payments made pursuant to Clauses 4.1 and 4.2.1 are irrevocable, except with to the prior consent of the Lender.

4.5 *No set-off by Council*

4.6 All payments due from the Council to the Lender under this Agreement shall be calculated and be made without (and free and clear of) any deduction, set off or counterclaim.

4.7 *Gross-up*

4.7.1 The Council shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

4.7.2 If a Tax Deduction is required by law to be made by the Partner, the amount of the payment due from the Partner shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

4.8 *Default interest*

If any party becomes liable to pay any other party any sum pursuant to this Agreement, whether a liquidated sum or by way of damages or otherwise, that party will be liable to pay interest on such sum from the due date for payment at the annual rate of 2% above the base rate of National Westminster Bank ply accruing on a daily basis until payment is made whether before or after any judgment..

5 **MISCELLANEOUS**

5.1 *Duration*

Unless otherwise agreed by the parties, this Agreement shall remain in effect until the Final Discharge Date.

5.2 *The Partner*

5.2.1 The Partner is a party to this Agreement for the purposes of acknowledging and consenting to the arrangements set out in this Agreement.

5.2.2 The Partner shall not to do (or where it has a contractual obligation to omit not to do) anything that may prevent any party from enforcing its rights under this Agreement.

5.2.3 Nothing in this Agreement shall confer on the Partner any additional rights under or in respect of the Finance Documents.

5.3 *Assignment of the Public Private Partnership Agreement*

The Council shall not to dispose of the Public Private Partnership Agreement or any part of it pursuant to clause 73.1 of the Public Private Partnership Agreement other than by:

- (i) operation of law; or
- (ii) disposal to a Local Authority public body,

without the prior consent of the Lender (such consent not to be unreasonably withheld, provided that it shall be unreasonable for the Lender to withhold consent if the proposed assignee is of an equivalent or better credit rating as the Council at the time of such proposed assignment).

5.4 *No liability*

Save as expressly provided in this Agreement, the Council acknowledges and agrees that the Lender has no obligation or liability to the Council under the terms of this Agreement.

5.5 *Implementation Certificate*

The Lender acknowledges and agrees that the Council has, and will have, no obligation or liability to the Lender other than under the provisions of this Agreement should the issuance of an Implementation Certificate, each and every event of which the Council confirms will be irrevocable, subsequently prove to have been one which the Council could have refused to issue.

6 **FURTHER ASSURANCES**

The Partner and the Council, at their own expense, shall do or procure to be done all such things and execute or procure the execution of all such other documents as may be necessary or as the Lender may require from time to time in order to give the Lender the full benefit of this Agreement.

7 **POWER OF ATTORNEY**

7.1 *Appointment*

The Partner, by way of security, irrevocably appoints the Lender to be its attorney, on behalf of the Partner and in its name or otherwise, to execute or sign any document and do any act or thing in relation to the exercise of the Put Option where the Partner has failed to comply with its obligations under the terms of Clause 3.5 of this Agreement.

7.2 *Ratification of actions of attorney*

The Partner ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause 7.

7.3 *Delegation*

7.4 The Lender may delegate to any person or persons (including a receiver and persons designated by him) all or any of the powers and discretions conferred on the Lender by this Clause 7 and may do so on terms authorising successive sub-delegations.

8 **ASSIGNMENT**

8.1 *Lender*

8.1.1 The Lender may assign or transfer its rights and obligations under this Agreement without the consent of the Council.

8.1.2 The Partner may assign or transfer its rights and obligations under this Agreement only to the extent permitted under the Finance Documents.

8.2 *New Direct Agreement*

If Clause 7.1.1 applies, the Council shall, if requested to do so by the Lender, enter into a direct agreement with the replacement lender, on substantially the same terms as this Agreement.

9 **NOTICES**

9.1 *Communications in writing*

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by fax or letter.

9.2 *Addresses*

The address, fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is that specified below or any substitute address, fax number or department or officer as one Party may notify to the other Party by not less than 5 Business Days' notice:

- (i) to the Council: Civic Offices
1 Saxon Gate East
Central Milton Keynes
MK9 3HQ
Fax No.: 01908 252456
Attention: Council's Partnership Manager
- (ii) to the Partner: ~~PO Box 9249 Midsummer Boulevard~~
~~Beacon House~~
~~William Brown House~~
~~Llantarnam Park~~
~~Cwmbran~~
~~NP44 3AB~~
~~Milton Keynes~~
~~MK9 1EY~~
Fax No.: 01633 7908 2 473501
Attention: Chief Financial Officer
- (iii) to the Lender: Heron House
5 Heron Square
Richmond
Surrey
TW9 1EL
Fax No: 020 8 332 1636
Attention: Company Secretary

9.3 *Delivery*

9.3.1 Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or

and, if a particular department or officer is specified as part of its address details provided under Clause 9.2, if addressed to that department or officer.

10 **CALCULATIONS AND CERTIFICATES**

Any certification or determination by the Lender of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

11 **CONFIDENTIALITY**

The Lender agrees to be bound by obligations on the part of the Partner contained in clause 72 of the Public Private Partnership Agreement in relation to all information and matters obtained from any other party under or in connection with the transaction although the Lender may disclose Confidential Information to any proposed transferee, participant or any receiver and if it is requested to do so, to any government agency or regulatory body with whose requests it normally complies

12 **ENTIRE AGREEMENT**

Unless otherwise stated in this Agreement, this Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement. No party has relied on any representation except as expressly set out in this Agreement.

13 **WAIVER**

No failure to exercise, nor any delay in exercising any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

14 **COUNTERPARTS**

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

15 **PARTIAL INVALIDITY**

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

16 **GOVERNING LAW**

This Agreement is governed by English law.

17 **ENFORCEMENT**

17.1 *Jurisdiction*

17.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of, or in connection with, this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "**Dispute**").

17.1.2 Each party to this Agreement agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

This Agreement has been executed as a deed and delivered on the date stated at the beginning of this Agreement.

SCHEDULE

CALCULATION OF SLV PAYMENTS

Part 1

Calculation of SLV Payment

1 Calculation of the SLV Payment

The "**SLV Payment**" for each Funded ICT Deliverable, at any date, shall be equal to the aggregate of:

- (a) Present Value, as the date of termination of the Public Private Partnership Agreement, of the Remaining Repayment Instalments in respect of the Loan relating to that Funded ICT Deliverable; and
- (b) the amount of any Repayment Instalments that have not been repaid when due as a result of breach by the Council of its obligation to pay the Monthly Charge under the Public Private Partnership Agreement together with interest on such amount at the rate determined in accordance with Clause 4.8 of this Agreement.

For this purpose:

The "**Present Value**" of the Remaining Repayment Instalments in respect of a Loan shall be calculated by applying a discount rate equal to the sum of:

(x) the Interest Rate Component (as defined in Part 2 to this Schedule) for a period equal to the period starting on the date of such termination of the Public Private Partnership Agreement and ending on the last Repayment Date relating to the relevant Loan; LESS

(y) the Margin except the Margin in relation to the 49th to 60th (inclusive) Repayment Instalments in respect of a Loan if the SLV Payment has become payable as a result of termination of the Public Private Partnership Agreement pursuant to clause 53 or 54 of the Public Private Partnership Agreement; and

The "**Remaining Repayment Instalments**" means the Repayment Instalments (as defined and calculated in accordance with the methodology set out in Part 2 to this Schedule) in relating to the relevant Loan that would have been payable in respect of the relevant Loan after the date of such termination of the Public Private Partnership Agreement.

2 Partial termination

Where an SLV Payment becomes payable on a termination of part of a Service where the Partner is providing such Service using a Funded ICT Deliverable, the amount of the SLV Payment payable by the Council shall be determined and certified by the Lender at the time of such termination by reference to the proportion of the relevant Loan that relates to the relevant Funded ICT Deliverable which is used for the delivery of the relevant Service that is the subject of the partial termination.

SCHEDULE

Part 2

Calculation of Repayment Instalments

1. *Methodology of Calculating the Repayment Instalment*

As an integral element of calculating an SLV Payment, it is necessary to calculate the **"Repayment Instalments"** in respect of each Loan. Each Repayment Instalment in respect of a Loan shall be equal and shall comprise a principal component and the Interest Rate component as follows:

the **"principal component"** will fully amortise the Loan on an annuity basis over 60 successive 1 month periods in arrears;

the **"Interest Rate component"** will be fixed 2 Business Days prior to the relevant Drawdown Date and shall be the aggregate of:

- (a) the Swap Interest Rate as at that date; and
- (b) the Margin.

For this purpose:

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Drawdown Date" means the date on which a Loan is to be made.

"Swap Interest Rate" means the rate determined by the Lender pursuant to the Facility Agreement as being the rate (rounded upwards to four decimal places) supplied to the Lender at its request by the Reference Bank at or about 11.00am (London time) on the relevant date for determining such rate as being the rate offered to the Lender by the Reference Bank in respect of an amortising Pounds interest swap with the Lender in the London interbank market where the Reference Bank pays to the Lender the relevant amount by reference to the relevant Loan and receives equal payments monthly in arrears for the relevant period and which payments fully amortise the relevant amount.

"Loan" means a loan made or to be made under the Facility Agreement or the principal amount outstanding for the time being of that loan.

"Margin" means 1.8 per centum.

"Reference Bank" means the principal London offices of N M Rothschild Bank and any other bank or financial institution appointed as such by the Lender (after consultation with the Partner) under the Facility Agreement.

EXECUTION PAGE

PARTNER

EXECUTED AS A DEED)
by **HBS BUSINESS SERVICES GROUP**)
LIMITED)
acting by)
and)
in the presence of:

Director:

Director/Secretary:

COUNCIL)
)
THE COMMON SEAL of)
THE COUNCIL OF THE BOROUGH OF)
MILTON KEYNES)
was hereunto affixed in the presence of:

LENDER

EXECUTED AS A DEED)
by **FIVE ARROWS LEASING GROUP**)
LIMITED)
acting by)
and)
in the presence of:

Director:

Director/Secretary: