GREENE KING FINANCE plc

(*incorporated in England and Wales with limited liability under company number 05333192*)

£300,000,000 Class A6 Secured 4.0643 per cent. Notes due 2035 Issue Price: 100 per cent.
£40,000,000 Class AB2 Secured 6.0552 per cent. Notes due 2036 Issue Price: 100 per cent.
each guaranteed by Greene King Retailing Limited

Prospectus

This Prospectus constitutes a Prospectus for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**"). The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes.

Application to the Irish Stock Exchange

Application has been made to the Irish Stock Exchange Plc (the "**Stock Exchange**") for £300,000,000 Class A6 Secured 4.0643 per cent. Rate Notes due 2035 (the "**Class A6 Notes**") and £40,000,000 Class AB2 Secured 6.0552 per cent. Rate Notes due 2036 (the "**Class AB2 Notes**", together with the Class A6 Notes, the "**Fourth Issue Notes**") which are to be issued by Greene King Finance plc (the "**Issuer**") to be admitted to the official list of the Stock Exchange (the "**Official List**") and to be admitted to trading on its regulated market. The regulated market (the "**Main Securities Market**") of the Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"). The Fourth Issue Notes are expected to be issued on or about 26 May 2016 (or such later date as may be agreed by the Issuer, the Joint Lead Managers (as defined below), the Note Trustee (as defined below) and the Principal Paying Agent (as defined below)) (the "**Fourth Closing Date**").

Previous Note Issuance by the Issuer and Source of Payment

On 7 March 2005 (the "**First Closing Date**"), the Issuer issued the £150,000,000 Class A1 Secured Floating Rate Notes due 2031 (the "**Class A1 Notes**"), the £320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031 (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Original Class A Notes**"), the £130,000,000 Class B Secured Fixed/Floating Rate Notes due 2034, renamed on the Second Closing Date as the "**Class B1 Notes**" (the "**Original Class B Notes**" or the "**Class B1 Notes**" and together with the Original Class A Notes, the "**Original Notes**").

On 8 May 2006 (the "**Second Closing Date**"), the Issuer issued the £170,000,000 Class A3 Secured Floating Rate Notes due 2021 (the "**Class A3 Notes**"), the £265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034 (the "**Class A4 Notes**", together with the Class A3 Notes, the "**Second Issue Class A Notes**") and the £115,000,000 Class B2 Secured Floating Rate Notes due 2036 (the "**Class B2 Notes**", together with the Second Issue Class A Notes, the "**Second Issue Notes**").

On 30 June 2008 (the "**Third Closing Date**"), the Issuer issued the £290,000,000 Class A5 Secured Floating Rate Notes due 2033 (the "**Class A5 Notes**") and the £60,000,000 Class AB1 Secured Floating Rate Notes due 2036 (the "**Class AB1 Notes**", together with the Class A5 Notes, the "**Third Issue Notes**", provided that references to the Third Issue Notes shall not include the Class AB1 Notes once the Class AB1 Notes are cancelled as described in the following sentence). On the Fourth Closing Date, the Borrower will use the Term AB2 Advance to purchase part of the Class AB1 Notes and upon such purchase, the Class AB1 Notes will be surrendered and cancelled and the corresponding Third Term AB1 Advance will be treated as prepaid in accordance with the Conditions and the Issuer/Borrower Facility Agreement. The Borrower has notified the Issuer, the Note Trustee and the Issuer Security Trustee of such agreed cancellation and prepayment. The Original Notes, the Second Issue Notes and the Third Issue Notes together with the Fourth Issue Notes comprise the "**Notes**". The primary source of funds for the repayment of principal and payment of interest on the Notes will be the right of the Issuer to receive payments of interest and repayments of principal on advances made under a secured facility agreement (the "**Issuer/Borrower Facility Agreement**") between, *inter alios*, the Issuer, the Obligors, the Cash Manager and the Borrower Security Trustee dated on or about the First Closing Date (as amended and restated on the Second Closing Date and on the Third Closing Date and as will be further amended and restated on or about the Fourth Closing Date).

Details of the Fourth Issue Notes

The Class A6 Notes (which together with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes and the Class A5 Notes are referred to herein as the "**Class A Notes**") will not carry the same terms and conditions as, or be consolidated or form a single series with any of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes or the Class A5 Notes but will rank *pari passu* without preference or priority amongst themselves with the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes and the Class A5 Notes. The Class AB2 Notes will not carry the same terms and conditions as, or be consolidated or form a single series with any of the Class AB1 Notes but will rank *pari passu* without preference or priority amongst themselves and will rank subordinate to the Class A Notes but in priority to the Class B Notes.

Obligations of Issuer Only

The Fourth Issue Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus, other than the Note Guarantor. It should be noted, in particular, that the Fourth Issue Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Arranger, the Joint Lead Managers, the Issuer Security Trustee, the Note Trustee, the Paying Agents, the Agent Bank, the Swap Counterparties, the Liquidity Facility Providers, the Account Banks, the Corporate Services Provider, the Cash Manager, the Borrower Security Trustee, Supply Co, Management Co, the Securitisation Group Parent, the Borrowers, the Issuer Parent, Greene King (together, the "**Other Parties**") or any other company (other than the Issuer) in the same group of companies as, or affiliated[1], to the Other Parties.

Note Guarantee

As of the Fourth Closing Date, all the Notes will be guaranteed by Greene King Retailing Limited (the "**Note Guarantor**").

Ratings

The Class A6 Notes are expected upon issue to be rated "BBB+" by Fitch Ratings Limited ("**Fitch**") and "A" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**" and, together with Fitch, the "**Rating Agencies**"). The Class AB2 Notes are expected upon issue to be rated "BBB" by Fitch and "BBB+" by S&P.

Each of Fitch and S&P is a credit rating agency established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

The security ratings assigned by the Rating Agencies do not address the likelihood of the receipt of any redemption premium. In addition, the security ratings assigned by the Rating Agencies do not address the likelihood of the receipt of any Step-Up Amounts in respect of any class of Notes regardless of whether such Step-Up Amounts comprise (in the case of the Original Notes and the Second Issue Notes) part of the interest amount payable by the Issuer or (in the case of the Third Issue Notes) a separate fee payable by the Issuer. The payment of all Step-Up Amounts is subordinated, *inter alia*, to the payment of any interest which does not constitute a Step-Up Amount on, and the repayment of principal of, the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each security rating should be evaluated independently of any other rating and, amongst other things, will depend on the performance of the business of the Securitisation Group from time to time.

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[1] In relation to The Royal Bank of Scotland plc, the terms "**affiliate**" or "**affiliated**" shall not include (a) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Services Investments Limited (or any directors, officers, employees or entities thereof) or (b) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Services Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

Volcker Rule

On 10 December 2013, five U.S. financial regulators approved a final rule to implement Section 13 of the Bank Holding Company Act of 1956, commonly known as the Volcker Rule. The Volcker Rule generally prohibits sponsorship and investment in the "ownership interests" of "covered funds" by "banking entities", a term that includes most internationally active banking organisations and their affiliates, though a banking entity may sponsor and invest in a covered fund pursuant to a number of exceptions. A sponsor or adviser to a covered fund is also prohibited from entering into certain "covered transactions" with that covered fund. Covered transactions include (among other things) entering into a swap transaction or guaranteeing notes if the swap or the guarantee would result in a credit exposure to the covered fund.

If the Issuer is a covered fund, the Volcker Rule and its related regulatory provisions will impact the ability of banking entities to hold an "ownership interest" in them. "Ownership interest" is broadly defined and may arise through a holder's exposure to the profit and losses of a covered fund or through similar economic exposure, as well as through any right of the holders to participate in the selection of an investment advisor, manager or board of directors of the covered fund. Because the Notes do not have these characteristics, the Issuer does not believe that the Notes are "ownership interests" within the meaning of the Volcker Rule. If a banking entity is considered the "sponsor" of the Issuer under the Volcker Rule, that banking entity may face a prohibition on covered transactions with the Issuer. This could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements.

Any prospective investor that is considering an investment in the Fourth Issue Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

Risk Factors

A discussion of certain risks and factors, which should be considered in connection with an investment in the Fourth Issue Notes, is set out in the section entitled *"Risk Factors"* below.

Each person contemplating making an investment in the Fourth Issue Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Obligors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Fourth Issue Notes should consult its own independent professional advisers.

Arranger

HSBC

Joint Lead Managers

HSBC **The Royal Bank of Scotland**

Prospectus dated 24 May 2016

Responsibility Statement

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each member of the Securitisation Group (as defined herein) severally accepts responsibility for all the information contained in this Prospectus relating to each of its businesses and to the sections entitled *"Description of the Business"*, *"Management"* and *"Details of Key Member Companies of the Greene King Group"* and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Christie, Owen & Davies Limited (trading as Christie & Co) ("**Christie & Co**" or the "**Valuer**") accepts responsibility for the Valuation Report (as defined herein) contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the Valuation Report is in accordance with the facts and does not omit anything likely to affect the import of such information. Christie & Co does not have any material interest in the Issuer or any member of the Securitisation Group.

Representations about the Fourth Issue Notes

No person has been authorised in connection with the issue and sale of the Fourth Issue Notes to make any representation or provide any information other than as contained in this Prospectus. Any such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer or any of the Other Parties or any of their respective affiliates or advisers.

None of the Arranger, the Joint Lead Managers, the Paying Agents, the Agent Bank, the Swap Counterparties, the Liquidity Facility Providers, the Account Banks, the Corporate Services Provider, the Issuer Security Trustee, the Borrower Security Trustee or the Note Trustee has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Joint Lead Managers, the Paying Agents, the Agent Bank, the Swap Counterparties, the Liquidity Facility Providers, the Account Banks, the Corporate Services Provider, the Issuer Security Trustee, the Borrower Security Trustee or the Note Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Fourth Issue Notes or their distribution. The statements in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Prospectus acknowledges that such person has not relied on the Arranger, the Joint Lead Managers, the Paying Agents, the Agent Bank, the Swap Counterparties, the Liquidity Facility Providers, the Account Banks, the Corporate Services Provider, the Issuer Security Trustee or the Note Trustee or the Borrower Security Trustee nor on any other person affiliated with any of them in connection with any investigation of the accuracy of the information on its investment decision.

None of the Issuer, the Other Parties or any other member of the GK Group or any of their respective affiliates or advisers accept responsibility to investors for the regulatory treatment of their investment in the Fourth Issue Notes (including (but not limited to) whether any transaction or transactions pursuant to which the Fourth Issue Notes are issued from time to time is or will be regarded as constituting a "securitisation" for the purpose of the EU Capital Requirements Regulation (EU) No. 575/2013 (the "**CRR**") and the application of Article 409 of the CRR, Section 5 of Regulation (EU) No. 231/2013 (the "**AIFMR**") or Article 254 of Chapter VIII of Title I of Commission Delegated Regulation (EU) 2015/35 (the "**Solvency II Regulation**") to any such transaction) by any regulatory authority in any jurisdiction. No retention undertaking of the sort contemplated by the provisions referred to in the preceding sentence has been or will be given in relation to this transaction. If the regulatory treatment of an investment in the Fourth Issue Notes is relevant to any investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to *"Risk Factors – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes"* and *"Risk Factors – Changes to the risk weighted asset framework"* of the Risk Factors section of this Prospectus for further information.

Financial Condition of the Issuer, the Securitisation Group and the GK Group

Neither the delivery of this Prospectus nor the offer, sale, allocation, solicitation or delivery of any Fourth Issue Note shall in any circumstances create any implication or constitute a representation that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, the Issuer Parent, the Obligors, the Excluded Group Entities, the Securitisation Group (as a whole) or the GK Group (as a whole) or the information contained herein since the date of this Prospectus.

Overview of Selling Restrictions

The distribution of this Prospectus and the offer, sale and delivery of the Fourth Issue Notes in certain jurisdictions may be restricted by law. None of the Issuer, the Other Parties or any other member of the GK Group or any of their respective affiliates or advisers represent that the Fourth Issue Notes may at any time be lawfully sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facility of such sale. Persons into whose possession this Prospectus (or any part hereof) comes are required by the Issuer and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Fourth Issue Notes and neither this Prospectus nor any part hereof may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, the Fourth Issue Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof or any other prospectus, form of application, advertisement, other offering materials nor other information may be issued, distributed or published in any country or jurisdiction (including the United Kingdom), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

In particular, the Fourth Issue Notes and the Note Guarantee have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and may include Fourth Issue Notes in bearer form that are subject to United States tax law requirements. Interests in the temporary global security will be exchangeable for interests in the permanent global security on or after a date which is expected to be 40 days after the later of the commencement of the offering of the Fourth Issue Notes and the Fourth Closing Date upon certification as to non-U.S. beneficial ownership. The Fourth Issue Notes and the Note Guarantee are being offered outside the United States by the Joint Lead Managers in accordance with Regulation S under the Securities Act, and subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

For a description of certain restrictions on offers, sales and deliveries of the Fourth Issue Notes and on distribution of this Prospectus, see the section entitled *"Subscription and Sale"* below.

Forward-looking Statements and Statistical Information

This Prospectus contains certain statements which may constitute forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "target", "expect", "intend", "believe" or other words of similar meaning. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. As such statements are inherently subject to risks and uncertainties, there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, (a) risks and uncertainties relating to the United Kingdom economy, the United Kingdom pub industry, consumer demand, beer consumption levels and government regulation and (b) such other risks and uncertainties detailed herein, including, but not limited to, those discussed under *"Risk Factors"*. All written and oral forward-looking statements attributable to the GK Group and the Issuer or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Prospective purchasers of the Fourth Issue Notes are cautioned not to put undue reliance on such forward-looking statements. Neither the GK Group nor the Issuer will undertake any obligation to publish any revisions to these forward-looking statements to reflect circumstances or events occurring after the date of this Prospectus.

Currency

In this Prospectus, unless otherwise specified, references to "**£**", "**sterling**" and "**pounds sterling**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland and references to "**€**", "**euro**" and "**Euro**" are to the single currency introduced at the start of the third stage of European

Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty of European Union and the Treaty of Amsterdam and as further amended from time to time.

Stabilisation

In connection with the distribution of the Class A6 Notes, HSBC Bank plc (the "**Stabilising Manager**") (or any person acting for the Stabilising Manager) may, to the extent permitted by applicable laws, regulations and rules, over-allot Class A6 Notes or effect transactions with a view to supporting the market price of the Class A6 Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Class A6 Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Class A6 Notes and 60 days after the date of the allotment of the Class A6 Notes.

Interpretation

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. An index of defined terms appears at the back of this Prospectus.

Dealings with the Issuer and the GK Group

Certain of the Arranger, the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the GK Group and its affiliates in the ordinary course of business. Certain of the Arranger, the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the GK Group and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Arranger, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the GK Group or its affiliates. Certain of the Arranger, the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or the GK Group routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes or whether a specified barrier or level is reached. The Arranger, the Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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OVERVIEW

The following is an overview of the transaction. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information that appears elsewhere in this Prospectus.

The Issuer and the Securitisation Group

The Issuer was incorporated as a special purpose company for the purpose of raising funds through the issuance of Notes the proceeds of which are on-lent to the Initial Borrower. On the First Closing Date, the Initial Borrower became, as at the Second Closing Date and the Third Closing Date remained and as at the Fourth Closing Date will remain, the principal operating company of the Securitisation Estate with its principal source of income being revenue generated by the pubs comprising the Securitisation Estate. The Securitisation Group comprises the Initial Borrower and the Securitisation Group Parent and each of their respective direct or indirect subsidiaries. As at the First Closing Date, the Securitisation Group beneficially owned 904 pubs. The Initial Borrower acquired the beneficial ownership of a further 801 pubs on the Second Closing Date and a further 428 pubs on the Third Closing Date, such that, in addition to the acquisition of the beneficial ownership of 89 pubs and the disposal of the beneficial ownership of 187 pubs between the Second Closing Date and the Third Closing Date, the Securitisation Group beneficially owned 2,035 pubs as at the Third Closing Date. Since the Third Closing Date and prior to the Fourth Closing Date, the Initial Borrower has acquired the beneficial ownership of 151 pubs and disposed of the beneficial ownership of 712 pubs, with a further disposal of the beneficial ownership of 20 pubs to occur on or about the Fourth Closing Date. In addition, on the Fourth Closing Date the Initial Borrower will acquire the beneficial ownership of a further 89 pubs (the freehold, heritable and leasehold property interests to be transferred into the Securitisation Group on the Fourth Closing Date being referred to herein as the "**Further Mortgaged Properties**") resulting in the Securitisation Estate comprising 1,543 pubs as at the Fourth Closing Date. The Initial Borrower (and any Additional Borrowers), the Securitisation Group Parent and the Sapphire Companies (who are subsidiaries of the Initial Borrower) are referred to in this Prospectus as the "**Obligors**", provided that references to the Obligors shall not include the Sapphire Companies once released from their obligations under the Transaction Documents on the Fourth Closing Date. The Securitisation Group Parent directly holds all of the shares in the Initial Borrower. See the section entitled *"Corporate Structure of the Greene King Group"* below for a diagrammatic representation of the corporate structure of the companies within the Securitisation Group.

Sapphire Companies

Each Sapphire Company is a wholly-owned subsidiary of the Initial Borrower. As these companies are now dormant, on the Fourth Closing Date, each Sapphire Company will be released from all its obligations under the Transaction Documents to which it is then a party.

Previous Note Issuance by the Issuer

The Issuer issued the £150,000,000 Class A1 Secured Floating Rate Notes due 2031, the £320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031 and the £130,000,000 Class B Secured Fixed/Floating Rate Notes due 2034 on the First Closing Date (renamed on the Second Closing Date as the "**Class B1 Notes**") (together, the "**Original Notes**"). The Issuer issued the £170,000,000 Class A3 Secured Floating Rate Notes due 2021, the £265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034 and the £115,000,000 Class B2 Secured Floating Rate Notes due 2036 on the Second Closing Date (together, the "**Second Issue Notes**"). The Issuer issued the £290,000,000 Class A5 Secured Floating Rate Notes due 2033 and the £60,000,000 Class AB1 Secured Floating Rate Notes due 2036 on the Third Closing Date (together, the "**Third Issue Notes**", provided that references to the Third Issue Notes shall not include the Class AB1 Notes once the Class AB1 Notes are redeemed as described in the following sentence). On the Fourth Closing Date, the Borrower will use the Term AB2 Advance to purchase the Class AB1 Notes and upon such purchase, the Class AB1 Notes will be surrendered and cancelled and the corresponding Third Term AB1 Advance will be treated as prepaid in accordance with the Conditions and the Issuer/Borrower Facility Agreement. The Borrower has notified the Issuer, the Note Trustee and the Issuer Security Trustee of such agreed cancellation and prepayment.

Changes to the Transaction Documents

Certain of the Transaction Documents entered into on the First Closing Date (including the Original Issuer/Borrower Facility Agreement, the Original Borrower Deed of Charge and the Original Issuer Deed of Charge) were amended on the Second Closing Date to provide for, *inter alia*, the issue of the Second Issue Notes and the advance of the Second Term Advances, were further amended on the Third Closing Date to provide for, *inter alia*, the issue of the Third Issue Notes and the advance of the Third Term Advances, and will be further amended on or about the Fourth Closing Date to provide for, *inter alia*, the issue of the Fourth Issue Notes and the advance of the Fourth Term Advances. In particular, the Tax Deed of Covenant as entered into on the First Closing Date, as amended on the Second Closing Date and on the Third Closing Date will be further amended, *inter alia*, to reflect the transfer to the Securitisation Group of the Further Mortgaged Properties. Descriptions of the principal terms of the Transaction Documents as to be amended on or about the Fourth Closing Date are contained in the sections entitled *"Description of the Borrower Transaction Documents"* and *"Description of the Issuer Transaction Documents"* below.

Issue of the Original Notes

The gross issue proceeds of the Original Notes were applied by the Issuer in making the Initial Term Advances to the Initial Borrower pursuant to the terms of a facility agreement entered into on the First Closing Date (the "**Original Issuer/Borrower Facility Agreement**", such agreement, as amended, restated, supplemented and/or novated from time to time (including, for the avoidance of doubt, as amended and restated on or about the Second Closing Date and on or about the Third Closing Date and as further amended and restated on or about the Fourth Closing Date) being referred to herein as the "**Issuer/Borrower Facility Agreement**").

Issue of the Second Issue Notes

The gross issue proceeds of the Second Issue Notes were applied by the Issuer in making the Second Term Advances to the Initial Borrower pursuant to the Issuer/Borrower Facility Agreement, as amended and restated as at the Second Closing Date.

Issue of the Third Issue Notes

The gross issue proceeds of the Third Issue Notes were applied by the Issuer in making the Third Term Advances to the Initial Borrower pursuant to the Issuer/Borrower Facility Agreement, as amended and restated as at the Third Closing Date.

Issue of the Fourth Issue Notes and Use of Proceeds

On or about 26 May 2016 (or such later date as may be agreed between the Issuer and HSBC Bank plc (in such capacity, the "**Arranger**")) (the "**Fourth Closing Date**"), the Issuer will lend the gross proceeds of the issuance of the Fourth Issue Notes to the Initial Borrower by way of Fourth Term Advances pursuant to the Issuer/Borrower Facility Agreement, as amended and restated on the Fourth Closing Date. The maturity date and loan payment dates in respect of each Fourth Term Advance will correspond to the class of Fourth Issue Notes that funded such Fourth Term Advance.

Source of Funds for Payments on the Fourth Issue Notes

The payment of interest and repayment of principal by the Initial Borrower in respect of the Term Advances (including the Fourth Term Advances) will provide the primary source of funds for the Issuer to make payments of interest and repayments (or prepayments) of principal under the Fourth Issue Notes (and the other Notes).

In the event that the Issuer has insufficient funds to make payments on the Fourth Issue Notes (other than in respect of any Step-Up Amounts) on any Interest Payment Date it may, in certain circumstances, draw on the Liquidity Facilities.

Principal Security for the Obligors' Obligations

The Initial Borrower and each other Obligor's obligations under the Issuer/Borrower Facility Agreement and the other Borrower Transaction Documents are, and will continue to be, secured by the Obligors (including the Initial Borrower) granting fixed security over, *inter alia*, the Mortgaged Properties comprising the Securitisation Estate and all the shares held by them in each of their respective subsidiaries (including, in the case of the Securitisation Group Parent, over the shares in the Initial Borrower) and floating security over all or substantially all of their respective property, undertaking and assets which are not subject to fixed security, in each case, in favour of the Borrower Security Trustee under the Borrower Deed of Charge (in the case of any Additional Borrower, following accession to the Borrower Deed of Charge). In addition, each Obligor, pursuant to the Issuer/Borrower Facility Agreement, also guarantees each of the payment obligations of each other Obligor under the Borrower Transaction Documents. See the sections entitled *"Corporate Structure of the Greene King Group"* below for a diagrammatic representation of the corporate structure of each of the GK Group and the Securitisation Group and *"Description of the Borrower Transaction Documents – Borrower Security Documents"* below for a detailed description of the security granted by the Obligors.

Security for the Issuer's Obligations

The Issuer's obligations under the Notes and the Issuer Transaction Documents are (and in the case of the Fourth Issue Notes will be on the Fourth Closing Date) secured by (a) fixed security and floating security over all or substantially all of the Issuer's property, undertaking and assets and (b) an assignment of the Issuer's beneficial interest in the Borrower Security granted to the Borrower Security Trustee under the Borrower Deed of Charge, in each case, in favour of the Issuer Security Trustee under the Issuer Deed of Charge. See the section entitled *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"* below for a detailed description of the security granted by the Issuer.

Note Guarantee

The Notes will be guaranteed by the Note Guarantor pursuant to the guarantee under clause 3A of the Note Trust Deed and Condition 3(g) (*Note Guarantee, Status, Ranking and Relationship between the Notes and the New Notes*).

Hedging

On the First Closing Date, the Issuer entered into an Interest Rate Swap Agreement with The Royal Bank of Scotland plc ("**RBS**") as the Swap Counterparty and certain transactions thereunder in order to hedge itself against the interest rate risk arising as a result of the Issuer being required to pay a floating rate of interest on the Class A1 Notes and, from (and including) the Class B1 Step-Up Date, the Class B1 Notes, whilst receiving a net fixed rate payment from the Initial Borrower under the Issuer/Borrower Swap Agreement and the Issuer/Borrower Facility Agreement. On the Second Closing Date, the Issuer entered into further transactions with RBS as the Swap Counterparty under such Interest Rate Swap Agreement in order to hedge itself against the interest rate risk arising as a result of the Issuer being required to pay a floating rate of interest on the Class A3 Notes and the Class B2 Notes whilst receiving a net fixed rate payment from the Initial Borrower under the Issuer/Borrower Swap Agreement and the Issuer/Borrower Facility Agreement. On the Third Closing Date, the Issuer entered into further transactions with RBS as the Swap Counterparty under such Interest Rate Swap Agreement in order to hedge itself against the interest rate risk arising as a result of the Issuer being required to pay a floating rate of interest on the Class A5 Notes and the Class AB1 Notes whilst receiving a net fixed rate payment from the Initial Borrower under the Issuer/Borrower Swap Agreement and the Issuer/Borrower Facility Agreement. On 16 December 2015, RBS novated the swap transactions under its Interest Rate Swap Agreements in respect of the Class A1 Notes, the Class A3 Notes, the Class B1 Notes and the Class B2 Notes to Abbey National Treasury Services plc and Abbey National Treasury Services plc became a Swap Counterparty. As the Class AB1 Notes will be cancelled following purchase by the Initial Borrower, on or around the Fourth Closing Date, the Issuer and RBS as Swap Counterparty have agreed to terminate in full the swap transaction under such Interest Rate Swap Agreement relating to the Class AB1 Notes on such date. In addition, the Issuer and RBS as Swap Counterparty have agreed to amend the swap transaction under such Interest Rate Swap Agreement relating to the Class A5 Notes, the amendment being to change the fixed rate payable by the Issuer to RBS as Swap Counterparty effective from and including such date and such that there will be immediately after such amendment a zero mark-to-market value in respect of such transaction, with a "recouponing" premium payable by the Issuer to RBS (to reflect the fact that immediately before such amendment RBS would be "in-the-money" under such transaction).

Valuation of Securitisation Estate

A valuation report dated 24 May 2016 (the "**Valuation Report**") issued by the Valuer whose registered office is Whitefriars House, 6 Carmelite Street, London EC4Y 0BS with respect to the Securitisation Estate is reproduced in its entirety in the section entitled *"Valuation Report on the Securitisation Estate"* below. In the view of the Valuer and subject to the assumptions and qualifications set out in the Valuation Report, the Securitisation Estate had an aggregated open market value (calculated on an existing use basis) of £2,177,992,000 as at 1 April 2016, being the date of the valuation set out in the Valuation Report.

For a diagrammatic overview of the transaction described in this Prospectus, see the section entitled *"Diagrammatic Overview of the Transaction"* below.

Significant Investor

Prior to their sale to the Initial Borrower and associated cancellation, the Class AB1 Notes were held by Greene King plc. The Class AB2 Notes will initially be held by Greene King plc.

RISK FACTORS

The following is an overview of certain aspects of the Notes (including the Fourth Issue Notes) and the related transactions of which prospective Noteholders should be aware. This overview is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus and reach their own views as to the merits of the transactions described in this Prospectus prior to making any investment decision.

Issuer, Issuer/Borrower Facility Agreement and Issuer/Borrower Swap Agreement

Notes obligations of Issuer only, other than the Note Guarantor

The Notes (including the Fourth Issue Notes) will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus, other than the Note Guarantor. It should be noted, in particular, that the Notes will not be obligations or the responsibility of, and will not be guaranteed by, the Other Parties or any company in the same group of companies as, or affiliated to, the Other Parties, other than the Note Guarantor.

Special purpose company; sources of funds to meet the Issuer's obligations under the Notes

The Issuer is a special purpose company with no business operations other than the issue of the Notes (including, for the avoidance of doubt, the Fourth Issue Notes and any Further Notes and New Notes), the lending of the proceeds to the Borrowers under the Issuer/Borrower Facility Agreement, the entry into of the Liquidity Facility Agreements and the entry into of Interest Rate Swap Agreements, the Issuer/Borrower Swap Agreement and any further hedging arrangements relating to the issue of Further Notes and/or New Notes together with certain ancillary arrangements. The ability of the Issuer to meet its obligations under the Notes will be dependent on, among other things, the receipt by it of the following:

(a) amounts payable by the Initial Borrower and, upon their accession, any Additional Borrowers, under the Issuer/Borrower Facility Agreement;

(b) amounts payable by the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement;

(c) interest (if any) from moneys standing to the credit of the Issuer Accounts, or otherwise from certain Eligible Investments made by it or on its behalf (if any); and

(d) amounts payable by a Swap Counterparty to the Issuer under the Interest Rate Swap Agreements.

In the event that the Issuer is unable on any Interest Payment Date to pay in full (to the extent required to be paid on any such date) the items set out at paragraphs (a) to (k) (inclusive) of the Issuer Pre-Acceleration Priority of Payments specified in the section entitled *"Description of the Issuer Transaction Documents – Issuer Deed of Charge – Issuer Pre-Acceleration Priority of Payments"* below, the Issuer will be able (subject to satisfaction of the conditions for drawing) to draw funds available under the Liquidity Facilities in accordance with the terms of the Liquidity Facility Agreements. The Liquidity Facility provided by RBS is available to make the relevant payments in relation to all Notes. The Liquidity Facility provided by HSBC is only available to make the relevant payments in relation to the Class A Notes. The maximum amount available to be drawn under the Liquidity Facilities (together) will from the Fourth Closing Date be £185.5 million (this amount may reduce in accordance with the terms of the Liquidity Facility Agreement but will be required to remain equal to at least 18 months' peak future Debt Service at all times). The maximum amount available to be drawn from RBS under its Liquidity Facility will from the Fourth Closing Date be £157.5 million (this amount may reduce in accordance with the terms of the relevant Liquidity Facility Agreement). The maximum amount available to be drawn from HSBC under its Liquidity Facility will, from the Fourth Closing Date, be £31.5 million (this amount may reduce in accordance with the terms of the relevant Liquidity Facility Agreement).

However, the maximum aggregate amount of the Liquidity Facilities available to be drawn to pay interest and principal in respect of the Class AB2 Notes and the Class B Notes will be limited to £33.5 million until such time as the Class AB2 Notes are the most senior ranking class of Notes outstanding. The maximum aggregate amount of the Liquidity Facilities available to be drawn to pay interest and principal in respect of the Class B Notes will be limited to £27 million until such time as the Class B Notes are the most senior ranking class of Notes outstanding. No Liquidity Facility will be available to meet any payment of Step-Up Amounts or amounts in respect of redemption premium.

Other than the foregoing and the related security therefor, the Issuer is not expected to have any funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes.

Issuer security

Although the Issuer Security Trustee holds the benefit of the security interests created under and pursuant to the Issuer Deed of Charge on trust for the Noteholders, such security interests are also held on trust for certain third parties that will rank ahead of the Noteholders, including, *inter alios*, the Liquidity Facility Providers and the Swap Counterparties in respect of certain amounts owed to them. See the section entitled *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"* below.

Hedging risks

All payments made by the Issuer under the Interest Rate Swap Agreements, other than Swap Subordinated Amounts, rank in priority to payments due to the Noteholders. If any Swap Counterparty fails to provide the Issuer with the amount due under the relevant Interest Rate Swap Agreement on any Interest Payment Date, or if any transaction under an Interest Rate Swap Agreement is otherwise terminated, the Issuer may have insufficient funds to make payments due on the Notes.

The notional amounts of the hedging transactions entered into pursuant to the Interest Rate Swap Agreements have been and/or will be calculated on the assumption that the Principal Amount Outstanding of the relevant classes of Floating Rate Notes will reduce in accordance with the provisions for scheduled mandatory redemption set out in Condition 7(b) (*Scheduled Mandatory Redemption in Part*). If there is a prepayment or other early repayment (in whole or in part) of any class of the relevant Floating Rate Notes, or if an event of default occurs under the terms of an Interest Rate Swap Agreement, then a termination payment may become due and payable by the Issuer under such Interest Rate Swap Agreement. Any termination payment due from the Issuer to a Swap Counterparty on termination in whole or in part of a transaction under an Interest Rate Swap Agreement and any related costs (other than Swap Subordinated Amounts) will rank in priority to payments due to the Noteholders.

Ability to effect redemption subject to availability of funds

It should be noted that, pursuant to Condition 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation and Other Reasons*), the Issuer is not entitled to effect a redemption of the Notes under such Condition unless it has satisfied the Issuer Security Trustee that it will have the necessary funds to discharge all other amounts required by the Issuer Deed of Charge to be paid on the relevant Interest Payment Date.

The Obligors' ability to meet their obligations under the Issuer/Borrower Facility Agreement and the Note Guarantor's ability to meet its obligations under the Note Guarantee

Each Obligor's ability to meet its obligations under the Issuer/Borrower Facility Agreement, the Note Guarantor's ability to meet its obligations under the Note Guarantee and the Initial Borrower's ability to meet its obligations under the Issuer/Borrower Swap Agreement will depend upon the performance of the Securitisation Group's businesses and such Obligor's financial obligations other than under the Issuer/Borrower Facility Agreement and/or the Issuer/Borrower Swap Agreement (as the case may be). The Securitisation Group is highly leveraged, and has significant debt service obligations. The degree to which it is leveraged could have important consequences for the business and the holders of the Fourth Issue Notes, including:

- making it more difficult for the Securitisation Group to satisfy its obligations with respect to the Fourth Issue Notes;
- increasing the Securitisation Group's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions, including rises in interest rates;
- restricting the Securitisation Group's ability to make strategic acquisitions or pursue other business opportunities;
- together with the financial and other restrictive covenants under the Securitisation Group's indebtedness, limiting its ability to obtain additional financing, dispose of assets or pay cash dividends other than as permitted by the terms of its indebtedness;
- requiring the Securitisation Group to dedicate a substantial portion of its cashflow from operations to service its indebtedness, thereby reducing the availability of such cashflow to fund working capital, capital expenditure, other general corporate requirements and dividend payments;
- requiring the Securitisation Group to sell or otherwise dispose of assets used in its business in order to fund its substantial debt service obligations;
- limiting the Securitisation Group's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- placing the Securitisation Group at a competitive disadvantage compared to its competitors that have less debt; and
- increasing the Securitisation Group's cost of borrowing.

Any of these or other consequences or events could have a material adverse effect on the Securitisation Group's ability to satisfy its significant debt obligations. Any failure to make payments on its indebtedness when due could give rise to an event of default under the applicable debt instruments. In such circumstances, the Issuer Security Trustee may declare all amounts outstanding under the applicable debt instruments to be immediately due and payable and initiate enforcement proceedings against the collateral the Securitisation Group has provided to secure its obligations under such debt instruments, all or any of which actions could have a material adverse effect on its business, financial condition and results of operations.

The obligations of the Obligors to make payments under the Issuer/Borrower Facility Agreement, of the Note Guarantor under the Note Guarantee and of the Initial Borrower under the Issuer/Borrower Swap Agreement are full recourse obligations. There can be no assurance that the future performance of the Securitisation Group's businesses will be similar to the performance to date described in this Prospectus. The performance of the business is influenced by, among other factors (i) the future of the pub industry generally and the continuing diversification between outlets and retailers, including supermarkets, offering a wider range of beer and non-beer related products, food and catering, (ii) the ability of any Obligor to re-let any pub following an expiry or termination of the existing lease, and (iii) general economic factors affecting the economic well-being of consumers such as interest rates, inflation, levels of duty on alcoholic beverages and the value added tax treatment of alcoholic, non-alcoholic and food items sold in pubs. See *"Risk Factors – Considerations relating to the Business Operations of the Securitisation Group"* below.

If, on the maturity of any of the Obligors' indebtedness, the Obligors do not have sufficient cashflows from operations and other capital resources to repay the indebtedness and redeem the Fourth Issue Notes in full or pay the Obligors' other debt obligations, as the case may be, or if they are otherwise unable to fund their other ongoing liquidity needs, they may be required to undertake alternative financing plans, such as refinancing or restructuring their debt, selling assets, reducing or delaying capital investments or raising additional debt or equity financing in amounts that could be substantial or on unfavourable terms.

The Obligors access to debt, equity and other financing as a source of funding for their operations and for refinancing maturing debt will also be subject to many factors, many of which are beyond their control. The type, timing and terms of any future financing will depend on their cash needs and the then prevailing conditions in the financial markets, including in the corporate bond, term loan and equity markets. The Obligors cannot assure you that these conditions will be favourable at the time any refinancing is required to be undertaken or that they will be able to complete any such refinancing in a timely manner or on favourable terms, if at all. For example, interest rate fluctuations, an economic downturn, changes in the UK regulatory environment or other industry developments which weaken the strength of their competitive position or prospects could increase their cost of borrowing or restrict their ability to obtain debt, equity and other financing. The creditworthiness of many financial institutions may be closely interrelated as a result of credit, derivative, trading, clearing or other relationships among the institutions. As a result, concerns about, or a default or threatened defaults by, one or more financial institutions could also lead to significant market-wide liquidity and credit problems, including losses or defaults by other institutions. This may adversely affect the financial institutions, such as banks and insurance providers, with which the Obligors interact on a regular basis, as well as cause disruptions in the capital or credit markets (similar to the global credit crisis that began in the second half of 2008), and therefore could adversely affect their ability to raise needed funds or access liquidity.

If the Obligors are unable to refinance all or a portion of their indebtedness or obtain such refinancing on terms which are acceptable to them, they may be forced to sell assets. If assets are sold, the timing of the sales and the amount of proceeds that may be realised from those sales cannot be guaranteed and the terms of their indebtedness will limit their ability to pursue these and other measures.

The Obligors' inability to generate sufficient cashflows to satisfy their debt obligations or to refinance their indebtedness on acceptable terms, or at all, would materially and adversely affect their business, financial condition and results of operations, as well as their ability to pay the principal and interest on their indebtedness, including the Fourth Issue Notes. Any failure to refinance the Obligors' indebtedness may result in them defaulting on such indebtedness. The occurrence of any such default could result in the enforcement of the collateral granted to secure the applicable indebtedness, and, as a result of such enforcement, you may receive an amount that is less than your original investment in the Fourth Issue Notes.

Obligor default

Neither the Obligors' obligations under the Issuer/Borrower Facility Agreement nor those of the Initial Borrower under the Issuer/Borrower Swap Agreement are secured or guaranteed by the Other Parties (other than by the Obligors) or any company (including the Issuer) in the same group of companies as, or affiliated to, Greene King (other than by the Obligors).

Amounts received in respect of the Borrower Security following delivery of a Loan Enforcement Notice, including proceeds of any sale or other disposal of a Mortgaged Property, may be insufficient to pay in full principal, interest and any other amount due under the Issuer/Borrower Facility Agreement and/or the Issuer/Borrower Swap Agreement which, in turn, would adversely affect the ability of the Issuer to meet its obligations to pay interest on and the principal of the Notes.

The value of any collateral and the amount to be received upon any enforcement of such collateral will depend upon many factors, including the ability to sell the collateral in an orderly sale, economic and market conditions and the availability of buyers. The book value of the collateral should not be relied on as a measure of realisable value for such assets. All or a portion of the collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation.

Due to their nature, the security interests of the Borrower Security Trustee may be subject to practical problems generally associated with the realisation of security interests in collateral. For example, the Borrower Security Trustee may need to obtain the consent of a third party (e.g. in case of certain leasehold properties, the relevant landlord or in case of a security interest being granted in the form of an equitable assignment, the relevant legal title holder) to enforce a security interest. We cannot assure you that the Borrower Security Trustee will be able to obtain such consents. We also cannot assure you that the consents of such third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Borrower Security Trustee may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

Monitoring of compliance with warranties, covenants and the occurrence of a Loan Event of Default or Potential Loan Event of Default

The Issuer/Borrower Facility Agreement provides that the Borrower Security Trustee is entitled to assume, unless it is otherwise disclosed in any investor report or compliance certificate (to be delivered on an annual and semi-annual basis) or the Borrower Security Trustee is expressly informed otherwise by a Borrower, that no Loan Event of Default or Potential Loan Event of Default has occurred which is continuing. The Borrower Security Trustee will not itself monitor whether any such event has occurred but will (unless expressly informed to the contrary by a Borrower) rely on the investor reports and compliance certificates to determine whether a Loan Event of Default or Potential Loan Event of Default has occurred. A Loan Event of Default or Potential Loan Event of Default includes a breach of any representation or warranty which is made or repeated by the Obligors under any of the Borrower Transaction Documents where such breach would or would reasonably be expected, in the case of certain representations and warranties only, to have a Material Adverse Effect or a breach by an Obligor of any covenant or undertaking under any Borrower Transaction Document where such breach would or would reasonably be expected to have a Material Adverse Effect and, in either case, to the extent not remedied within any applicable grace period, where such breach is capable of remedy.

"**Material Adverse Effect**" means any effect which:

(a) is, or is reasonably likely to be, materially adverse to:

(i) the business, assets (as a whole) or financial condition of the Securitisation Group (as a whole);

(ii) the ability of the Obligors (taken as a whole) to perform in a timely manner all or any of their respective payment obligations under any of the Borrower Transaction Documents (subject to any applicable grace periods); or

(iii) the value of the assets of the Securitisation Group (taken as a whole) relative to the outstanding principal amount of the Term Advances; or

(b) results in any Transaction Document not being legal, valid and binding on and enforceable against any party thereto and/or in the case of any Issuer Security Documents and/or Borrower Security Documents not providing to the Issuer Security Trustee or the Borrower Security Trustee (as relevant) security over the assets expressed to be secured under that Issuer Security Document and/or Borrower Security Document, in each case in any materially adverse respect.

Moreover, as the Issuer is a special purpose company, it will not, nor does it possess the resources to, actively monitor whether a Loan Event of Default or a Potential Loan Event of Default has occurred, including, for this purpose, the continued accuracy of the representations and warranties made by the Obligors and compliance by the Obligors with their covenants and undertakings. Accordingly, it will fall to the Obligors themselves (or the Initial Borrower on their behalf) to make these determinations. In this context, a number of these representations, warranties, covenants, undertakings and Loan Events of Default and Potential Loan Events of Default will be qualified by reference to a relevant fact, matter or circumstance having a Material Adverse Effect. Whilst the criteria set out in the definition of "Material Adverse Effect" are objective, the Obligors themselves will be entitled to determine whether or not the relevant fact, matter or circumstance falls within any of the criteria unless notified to the contrary by the Borrower Security Trustee or the Issuer.

However, the Issuer/Borrower Facility Agreement requires the Obligors to inform the Issuer and the Borrower Security Trustee of the occurrence of any Loan Event of Default and Potential Loan Event of Default promptly upon becoming aware of the same. In addition, the Borrowers are required to confirm in each annual and semi-annual investor report and each compliance certificate, each of which will be delivered to, among other recipients, the Borrower Security Trustee (and, in relation to the investor reports, will also be made available on Bloomberg), whether or not any Loan Event of Default or Potential Loan Event of Default has occurred (and, if one has, what action is being, or proposed to be, taken to remedy it). Each investor report also requires the Borrowers to provide statements or, as the case may be, calculations of EBITDA, Net Worth and Free Cashflow as well as demonstrate whether the Debt Service Covenant has been observed.

The failure by a Borrower to perform or comply with its covenants to provide financial information in accordance with the Issuer/Borrower Facility Agreement, following the lapse of any applicable grace period, in itself constitutes a Loan Event of Default. The occurrence of a Loan Event of Default under the Issuer/Borrower Facility Agreement will then entitle the Borrower Security Trustee to pursue any of the courses of action available to it and as set out under the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Loan Events of Default – Acceleration, Cancellation and Enforcement of the Term Advances"*.

In certain circumstances, the Securitisation Group may become subject to independent review and monitoring by an independent consultant if requested by the Borrower Security Trustee upon the occurrence of certain trigger events. See the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Appointment of Independent Consultant"* below. Notwithstanding this, no member of the Securitisation Group will be required to follow any recommendations or take any such remedial action suggested or proposed by the Independent Consultant. In addition, there can be no assurance that a suitable independent consultant could be found who would be prepared to undertake such role on terms and for a level of fees acceptable to the Initial Borrower and the Borrower Security Trustee.

The terms of the Issuer/Borrower Facility Agreement will significantly limit the Securitisation Group's ability to, among other things:

- incur or guarantee additional indebtedness;
- pay dividends or other distributions on, and redeem or repurchase, the Securitisation Group's equity;
- make certain restricted payments and investments;
- create certain liens;
- transfer, lease, sell or otherwise dispose of certain assets;
- sell assets or consolidate or merge with or into other companies;
- engage in certain transactions with affiliates; and
- impair the security interests in the collateral.

Furthermore, the covenants to which the Securitisation Group is subject could limit its ability to plan for, or react to, market conditions, as well as adversely affect its ability to finance its operations, strategic acquisitions, investments or other capital needs, implement its business plans, pursue business opportunities and engage in other business activities that may be in its best interests. Its ability to comply with the applicable covenants may be adversely affected by events beyond its control and it cannot assure you that it will be able to comply with their requirements. A breach of any of the covenants could result in adverse consequences for the Securitisation Group under the Transaction Documents.

Provision of financial information by the Borrowers

Greene King, the ultimate parent of the Borrowers, is a public company listed on the London Stock Exchange and therefore has certain reporting obligations to its shareholders. Accordingly, for so long as the Securitisation Group Parent is a subsidiary of the GK Group, the ability of a Borrower to disclose financial information to, *inter alios*, Noteholders in accordance with the terms of the Transaction Documents may be affected by any law, regulation, stock exchange requirements or rules of any applicable regulatory body to which any member of the GK Group is subject.

Further, as the shares of Greene King are listed on the London Stock Exchange, Greene King may, in exceptional circumstances, be granted an extension of time by the Financial Conduct Authority as the UK Listing Authority for the announcement of its preliminary or, as the case may be, interim results. As a consequence, the financial information to be delivered by the Borrowers to, *inter alios*, Noteholders may not be received within the time periods specified in this Prospectus.

Management Services Agreement

Reliance on Management Co

All relevant GK Group employees, both those required to staff the pubs directly managed and operated by the GK Group (the "**Managed Pubs**") and those involved in the management and administration of the GK Group are as at the date of this Prospectus (and it is proposed will continue to be) employed by companies within the GK Group but outside the Securitisation Group, namely Greene King Retail Services Limited and Greene King Services Limited (together the "**Employee Cos**"). The Initial Borrower and Management Co do not have any staff and are therefore reliant on the Employee Cos to provide such services under the terms of the Management Services Agreement. Under the terms of the Management Services Agreement, Management Co undertakes to provide to the Initial Borrower, or procure the provision to the Initial Borrower of, the staff necessary for the Securitisation Group's operations and the Management Services Agreement provides for Management Co's costs to be charged back to the Initial Borrower in accordance with the principles set out therein. See further the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – Management Services Agreement"* below.

Prior to termination of the Management Services Agreement in accordance with the terms thereof, the Initial Borrower is not entitled to obtain any of such services from a person other than Management Co. It is, however, entitled to request that Management Co provides it with additional services that are reasonably necessary for the operation of the Securitisation Estate. In addition, Management Co is under an obligation to ensure that the services it provides include all those central management and administration services undertaken by it in respect of the Securitisation Estate in the 12 months prior to the date of the Management Services Agreement and is obliged to have regard to the Initial Borrower's obligations under the Issuer/Borrower Facility Agreement and to ensure that it provides the services in accordance with good industry practice. In addition, if Management Co enters into insolvency proceedings or is prevented from providing the services as a result of force majeure, the Employee Cos will be required to provide such services directly to the Initial Borrower on terms equivalent to those upon which Management Co was to provide services to the Initial Borrower.

Appointment of administrator to Management Co or the Employee Cos

The Management Services Agreement contains provisions intended to ensure that the Initial Borrower has an option to employ the staff engaged in its operations at an individual pub level directly if either Management Co or any of the Employee Cos should enter into insolvency proceedings.

It is intended that in these circumstances individual pub level staff would transfer automatically by operation of law but, should this not be possible, the ability of the Initial Borrower to engage staff under these provisions depends on the willingness (which cannot be guaranteed) of individual employees to accept an offer of employment made by the Initial Borrower. However, the allocation of staff who work above individual pub level (such as area managers or staff engaged in the provision of central services) as between the pubs making up the Securitisation Estate and the non-securitisation business will be subject to negotiations between Management Co and the Initial Borrower. This could have an effect on the business of the Securitisation Estate in the future (either because the Initial Borrower may be unable to obtain the services of particular individuals both at and above individual pub level, or because the Initial Borrower finds itself liable for termination costs in respect of such individuals).

Services provided to other persons

Management Co and the Employee Cos will be free to provide staff and services to businesses outside the Securitisation Group, including Spirit and other members of the GK Group. This may expose the Securitisation Estate to risks in respect of those non-securitisation businesses' insolvency. These include the risks that as a result of any such insolvency (a) the cost of services to the Initial Borrower from Management Co or the Employee Cos (as the case may be) increases and (b) employees whose services are shared by the Initial Borrower and by other businesses outside the Securitisation Group may need to be made redundant by the relevant Employee Co (leaving the Securitisation Estate without the services of those employees).

Change to administration arrangements

It is possible that, over time, these arrangements may be found to have become operationally restrictive or commercially undesirable for the GK Group and/or may fail to address issues that arise out of changes in the nature of the GK Group and/or the industry and/or the environment in which it operates. In such circumstances, the GK Group may seek to modify or unwind such structure in whole or in part (which may include a transfer of some or all of the employees who work in pubs or who are involved in the management of pubs within the Securitisation Estate), which modification or unwinding will be subject to the consent of the Borrower Security Trustee.

Sale of business

The Management Services Agreement also contains provisions intended to ensure that, if the Securitisation Group (or its business) is sold (for example, on enforcement of security), then the employment of pub level staff engaged in the relevant business would transfer to the purchaser. In addition to the potential difficulty of deciding upon the proper allocation of staff who work above the individual pub level as between the Securitisation Estate and the non-securitisation business, it should also be noted that the effectiveness of these provisions in some circumstances will depend on the willingness (which cannot be guaranteed) of individual employees to accept an offer of employment with the purchaser.

Management Co's right to outsource

Management Co is permitted to outsource some or all of the services which it is contractually obliged to perform under the Management Services Agreement but, where it does so, it shall remain liable to the full extent of its duties and obligations undertaken, notwithstanding any such outsourcing. There is no guarantee that any outsourcing by Management Co would lead to cost savings or, following enforcement of security and termination of the Management Services Agreement, that the Initial Borrower would have access to all the resources that it then needed to run its business.

Ability to find a replacement service provider upon termination of the Management Services Agreement

The Management Services Agreement is capable of termination by the Initial Borrower and Management Co in certain circumstances (see the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – Management Services Agreement"* below). Except in the case of non-payment of fees owing to it, Management Co may only terminate the Management Services Agreement if, amongst other things, a replacement service provider is appointed and the prior written consent of the Borrower Security Trustee is obtained. No assurance can be given that, where required, a replacement service provider can be found who will be able to deliver the same services to the same standard.

Ownership of the provider of central management and administration services

Management Co and the Initial Borrower are currently both within the GK Group. However, there can be no assurance that the service provider providing central management and administration services to the Initial Borrower will be an entity which will have common ownership with the Initial Borrower – namely, if Management Co ceases to be a member of the GK Group or if a replacement service provider is appointed in the event of termination of the Management Services Agreement. However, the Initial Borrower may, within a six-month period, terminate the Management Services Agreement if the Initial Borrower and Management Co cease to be affiliated group entities. See the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – Management Services Agreement"*.

Intra Group Supply Agreement

Exposure to activities of Supply Co outside the Securitisation Group

Supply Co is free to supply goods and services to companies outside the Securitisation Group, including Spirit and other members of the GK Group (and may utilise the same supply arrangements to supply products and services to both the Securitisation Estate and to pubs outside the Securitisation Estate). Any such future activities could affect Supply Co's ability to perform its obligations under the Intra Group Supply Agreement.

Termination

Third party supply agreements between Supply Co and third party suppliers may be terminated in accordance with their terms (as would be the case were the arrangements directly with the Initial Borrower). The supply of relevant products and services to the Initial Borrower will also be terminated in such circumstances although Supply Co must use its best endeavours to secure replacement supplies as soon as practical after termination in order to minimise disruption to the Initial Borrower.

Exclusive supplies

The Initial Borrower is prohibited from purchasing goods and supplies from any source other than under the Intra Group Supply Agreement subject to certain limited exceptions where the Initial Borrower is able to source products and services from elsewhere. To the extent that a material increase in the underlying cost (whether of procurement or production) to Supply Co occurs, or Supply Co identifies that the payments to third parties (together with its own costs) exceed or will exceed the amounts payable to Supply Co under the Intra Group Supply Agreement, these costs or losses will be passed on to the Initial Borrower.

Minimum stock and purchase obligations

Certain existing third party supply agreements between Supply Co and third party suppliers may impose minimum stock and/or minimum purchase commitments on the GK Group. In addition, Supply Co is permitted to agree to further minimum stock and/or purchase commitments in the future when negotiating and agreeing new and/or replacement third party supply agreements, provided that Supply Co negotiates in good faith and acts fairly as between the Securitisation Group and any non-securitisation business. To the extent that such minimum stock and/or purchase commitments are not met, additional costs and penalties may be levied on Supply Co, a proportion of which will be passed on to the Securitisation Group. Any minimum stock and/or purchase obligations have to be allocated between the Securitisation Group and the non-securitisation business having regard to their respective historic consumption of the relevant goods and Supply Co is permitted to recover from the Initial Borrower any additional costs and penalties that it incurs and which are attributable to the Securitisation Group's allocated proportion of the relevant minimum stock and/or purchase commitment. As a result of the potential to incur such liabilities at a time when sales are falling, a decline in the turnover of the Securitisation Group could have a disproportionately adverse effect on its cashflow and its ability to make interest and principal payments under the Issuer/Borrower Facility Agreement.

IP Licence Agreement

Under the IP Licence Agreement, Supply Co will also grant to the Initial Borrower certain non-exclusive sub-licences to use certain intellectual property rights previously linked to Spirit Pub Company plc, which will not be subject to the IP Option.

Mortgagee in Possession Liability

The Issuer or the Borrower Security Trustee (but only if the Borrower Security Trustee has taken enforcement action against the relevant Obligor) may be deemed to be a mortgagee creditor in possession if there is physical entry into possession of any pub or an act of control or influence which may amount to possession. A mortgagee creditor in possession may incur liabilities to third parties in nuisance and negligence and, under certain statutes (including environmental legislation), can incur the liabilities of a property owner. Save in certain circumstances in respect of the appointment of an administrative receiver, the Borrower Security Trustee is not obliged to act (including becoming a mortgagee or heritable creditor in possession in respect of a pub) unless it is satisfied at that time that it is adequately indemnified. Under the terms of the Borrower Deed of Charge, payments to the Borrower Security Trustee in respect of any such indemnity rank first in point of priority of payments, both prior to and following service of a Loan Enforcement Notice. This may adversely affect the funds available to the Initial Borrower to make payments of interest and principal in respect of the Term Advances and therefore also the funds available to the Issuer to make payments of interest and principal in respect of the Notes.

Priorities in respect of the Notes

Notes and New Notes

Payments of interest on each class of Notes will rank *pari passu* between themselves and (except in the case of the Step-Up Amounts) before repayments of principal thereon. Scheduled repayments of principal on each class of Notes will rank *pari passu* between themselves. Scheduled repayments of principal and scheduled payments of interest on the Class A Notes will be made, both prior to and following the delivery by the Issuer Security Trustee of a Note Enforcement Notice to the Issuer, in priority to scheduled repayments of principal and scheduled payments of interest on the Class AB2 Notes and the Class B Notes and payment of any Step-Up Amounts. Scheduled repayments of principal and scheduled payments of interest on the Class AB2 Notes will be made, both prior to and following the delivery by the Issuer Security Trustee of a Note Enforcement Notice to the Issuer, in priority to scheduled repayments of principal and scheduled payments of interest on the Class B Notes and payment of any Step-Up Amounts. Scheduled repayments of principal and scheduled payments of interest on the Class B Notes will be made, both prior to and following the delivery by the Issuer Security Trustee of a Note Enforcement Notice to the Issuer, in priority to payment of any Step-Up Amounts. Scheduled repayments of principal and scheduled payments of interest on each class of Notes will rank subordinate to, among other things, payments of fees, remuneration and expenses to certain third parties and other amounts to be paid in priority thereto, but will rank in priority to all Step-Up Amounts, payable in respect of any class of Notes.

In certain circumstances, the Issuer may redeem (in whole or in part) Class B Notes *pari passu* with, or in priority to, Class A Notes and/or Class AB2 Notes, the Class AB2 Notes *pari passu* with or in priority to the Class A Notes and any class of Notes *pari passu* with or in priority to any New Notes ranking senior to such class of Notes. These circumstances are limited to occasions where a Borrower may prepay the Term Advances in any order it determines. These include situations where the prepayment is made from Excess Cash or Excess Net Sales Proceeds and, in either case, the Restricted Payment Condition is satisfied in accordance with the terms set out in the section entitled "*Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Financial Covenants – Restricted Payment Condition"* or where equity or cash (on a subordinated basis) is made available to a Borrower by an Excluded Group Entity for the purpose of such prepayment. In such cases, a Borrower is entitled to prepay the corresponding Term B Advance in priority to the Term A Advances and/or Term AB2 Advances, the corresponding Term AB2 Advance in priority to the Term A Advances and any Term Advance relating to New Notes which ranks senior to such Term Advance. For further details, see the sections entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Prepayment of Term Advances – Application of prepayment funds as a result of optional prepayment"* and *"Covenants regarding disposal of Mortgaged Properties and related matters – Application of Proceeds of Disposals of a Mortgaged Property"* below. Following such redemption, there can be no assurance that the Issuer will receive sufficient funds on future Loan Payment Dates to meet all of its obligations under such of the Notes as are then outstanding.

If New Notes were issued, and such New Notes were to rank *pari passu* with a class of Notes, then scheduled repayments of principal and payments of interest on such class of Notes would be made, both prior to and following the delivery of a Loan Enforcement Notice by the Issuer Security Trustee to the Issuer, *pari passu* with any scheduled repayments of principal and payments of interest on such New Notes (but after scheduled repayments of principal and payments of interest on any class of Notes senior to such New Notes).

If New Notes were issued and such New Notes were to rank in priority to a class of Notes (other than the Class A Notes), then scheduled repayments of principal and payments of interest on such New Notes would be made, both prior to and following the delivery of a Loan Enforcement Notice by the Issuer Security Trustee to the Issuer, in priority to any scheduled repayments of principal and payments of interest on such class of Notes (and any Notes junior to such class of Notes). In addition, New Notes may be issued which will have the benefit of a financial guarantee or monoline insurance policy. If this were to be the case, certain payments to the applicable financial guarantor or monoline insurer may rank, both prior to and following the delivery of a Loan Enforcement Notice by the Issuer Security Trustee to the Issuer, in priority to any payments of principal and interest on both the New Notes and the existing classes of Notes (including the Class A Notes). For further details, see the investment consideration entitled *"Other considerations relating to the Fourth Issue Notes – Issue of New Notes"* below.

Conflicts of interest

The Issuer Deed of Charge contains provisions requiring the Issuer Security Trustee to act only in accordance with the directions of the Note Trustee prior to redemption in full of all of the Notes. Following redemption in full of all of the Notes, the Issuer Security Trustee shall have regard to the interests of the person appearing highest in the order of priority of payments to whom any amount is owed under the Issuer Deed of Charge with respect to all powers, trusts, authorities, duties and discretions of the Issuer Security Trustee.

In exercising its powers, trusts, authorities, duties and discretions as described above, the Issuer Security Trustee or, as the case may be, the Note Trustee shall disregard any amount owing or payable in relation to Step-Up Amounts for the purposes of determining whether any particular class of Notes is outstanding.

The Note Trust Deed requires the Note Trustee to have regard to the interests of all the Noteholders (so long as any of the Notes remains outstanding) as regards all powers, trusts, authorities, duties and discretions as if they formed a single class (except where expressly required otherwise). However, the Note Trust Deed requires that, in the event of a conflict between the interests of any class of Noteholders, the Note Trustee shall have regard to the interests of the holders of the Most Senior Class of Notes then outstanding.

For so long as any of the Notes are outstanding, the Note Trustee shall not be bound to take any steps, proceedings or other actions unless:

(a) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith; and

(b) it shall have been directed or requested to do so (1) by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or (2) in certain limited circumstances and where expressly provided, in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding.

The Note Trustee may give its consent to any amendment to, or grant any waiver under or in respect of, any term of any Transaction Document to which it is a party or over which it has security or give its written consent to any event, matter or thing if to do so would, among other things, not in its opinion be materially prejudicial to the interests of the Noteholders or in certain circumstances, where a specified test or conditions have been met. See further the risk factor entitled *"Modifications, Waivers and Consents"* below.

Other Considerations relating to the Fourth Issue Notes

Issue of New Notes

In certain circumstances and subject to certain conditions being met, the Issuer will be entitled to issue New Notes which will not form a single series with the existing Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes, Class A6 Notes, Class AB2 Notes, Class B1 Notes or Class B2 Notes but which will rank either (a) after the Class A Notes, but in priority to, *pari passu* with or after the Class AB2 Notes and/or the Class B Notes or (b) *pari passu* with the Class A Notes. Such New Notes may be issued with the benefit of a financial guarantee or monoline insurance policy from a rated financial guarantor or monoline insurer.

If any New Notes are issued, the Note Trust Deed, the Conditions and the Issuer Deed of Charge will be amended in such manner as the Note Trustee and the Issuer Security Trustee (as applicable) considers necessary to reflect such issue and the ranking of such New Notes in relation to the Class A Notes, the Class AB2 Notes and the Class B Notes and (where appropriate) to reflect the rights of any financial guarantor or monoline insurer.

The Fourth Issue Notes will initially be issued in global form and deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the global notes will trade in book-entry form only. Unless and until Fourth Issue Notes in definitive form are issued in exchange for book-entry interests (which may occur only in very limited circumstances), owners of book-entry interests will not be considered owners or holders of Fourth Issue Notes. The common depositary (or its nominee) for Euroclear and Clearstream, Luxembourg will be the sole holder of the global notes. Payments of principal, interest and other amounts owing on or in respect of the relevant global notes representing the Fourth Issue Notes will be made to the Principal Paying Agent, which will make payments to Euroclear and Clearstream, Luxembourg. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the Fourth Issue Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, Luxembourg, the Issuer and the Note Guarantor will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest in the Fourth Issue Notes, you must rely on the procedures of Euroclear and Clearstream, Luxembourg, and if you are not a participant in Euroclear or Clearstream, Luxembourg, you must rely on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Fourth Issue Notes under the Third Supplemental Note Trust Deed.

Unlike the holders of the Fourth Issue Notes themselves, owners of book-entry interests will not have any direct rights to act upon any solicitations for consents, requests for waivers or other actions from holders of the Fourth Issue Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream, Luxembourg or, if applicable, from a participant. There can be no assurances that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters or on a timely basis.

Ratings

It is expected that, on the Fourth Closing Date, the Fourth Issue Notes will have the ratings set out in the table under the section entitled *"Overview of the Terms and Conditions of the Fourth Issue Notes, Third Issue Notes, Second Issue Notes and Original Notes and Related Matters"* below. The ratings assigned to each class of Notes by the Rating Agencies address the likelihood of (i) full and timely payment to the holders of each class of Notes of all payments of interest on the Notes on each Interest Payment Date (excluding any Step-Up Amounts) and (ii) in respect of S&P, full and timely payment of scheduled principal on the Notes on each Interest Payment Date (excluding any premium payable on the redemption of any Notes) and, (iii) in respect of Fitch, full and timely payment of scheduled principal on the Class A Notes on each Interest Payment Date (excluding any premium payable on the redemption of the Notes) and repayment of ultimate principal on the Class AB2 Notes and the Class B Notes. The security ratings assigned by the Rating Agencies either in respect of any class of Original Notes, any class of Second Issue Notes, any class of Third Issue Notes or any class of Fourth Issue Notes do not address the likelihood of the receipt of any redemption premium. In addition, the security ratings assigned by the Rating Agencies do not address the likelihood of the receipt of any Step-Up Amounts in respect of any class of Notes, whether such Step-Up Amounts comprise (in the case of the Original Notes and the Second Issue Notes) a subordinated part of the interest amount payable by the Issuer or (in the case of the Third Issue Notes) a separate fee payable by the Issuer. The payment of all Step-Up Amounts is subordinated, *inter alia*, to the payment of any interest which does not constitute a Step-Up Amount on, and the repayment of principal of, the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation, and each security rating should be evaluated independently of any other rating. A security rating, amongst other things, will depend on certain underlying characteristics of the business of the Securitisation Group from time to time. There can be no assurance that any security ratings will continue for any period of time or that such ratings will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant. Furthermore, the credit rating assigned by the Rating Agencies may not reflect the potential impact of all risks relating to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Fourth Issue Notes. Rating agencies other than the Rating Agencies could also seek to rate the Fourth Issue Notes in the future and, if such "unsolicited ratings" are lower than the comparable rating assigned to the Fourth Issue Notes by the Rating Agencies, such "unsolicited ratings" could have an adverse effect on the price at which the Fourth Issue Notes will trade.

It should be noted that the consent of the Borrower Security Trustee and/or the Issuer Security Trustee and/or the Note Trustee is required to be obtained in relation to certain matters. In certain circumstances, the Borrower Security Trustee will be obliged to give such consent if the Ratings Test is satisfied in relation to the relevant matter. In addition, the Issuer Security Trustee, the Borrower Security Trustee and the Note Trustee shall be entitled, for the purposes of exercising any power, trust, authority, duty or discretion or the giving of any consent under or in relation to the Transaction Documents to which it is a party or over which it has security (including the determination of material prejudice by the Borrower Security Trustee and/or the Issuer Security Trustee and/or the Note Trustee), to take into account any confirmation given by the Rating Agencies that the then current ratings of the Notes will not be adversely affected by the giving of such consent or action contemplated (such confirmation by the Rating Agencies constituting the satisfaction of the "**Ratings Test**"). For the purposes of each Transaction Document, the Conditions and the Notes, where any agreement or action is expressed to be subject to obtaining a confirmation (including as referred to as part of the Ratings Test) from the Rating Agencies that an agreement or an action under or in relation to the Transaction Documents, the Conditions or the Notes will not result in the withdrawal, reduction or any other adverse action with respect to the then current rating (if any) of the Notes, a Liquidity Facility, and/or an Interest Rate Swap Agreement (a "**Relevant Confirmation**"), such obligation shall be modified such that if a person who seeks to obtain a Relevant Confirmation is unable to obtain it because: (a) any Rating Agency does not respond to a request to provide a Relevant Confirmation within 10 Business Days after such request is made or (b) any Rating Agency provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Relevant Confirmation is sought, and in each case for (a) and (b) there has been a telephone conference call or other communication in respect of such agreement or action between the appropriately authorised person(s) of the relevant Rating Agency and the Note Trustee, Issuer Security Trustee and/or Borrower Security Trustee in which the relevant Rating Agency has explained its position to the relevant trustee's satisfaction, then the requirement to have a Relevant Confirmation from the relevant Rating Agency in order to agree to, or take, such action under or in relation to the Transaction Documents, Conditions or the Notes shall be deemed not to apply and none of the Note Trustee, the Borrower Security Trustee nor the Issuer Security Trustee, as applicable, shall be liable to the Noteholders, Borrower Secured Creditors, Issuer Secured Creditors or any of them for the consequences thereof.

Where a particular matter (including the determination of material prejudice by the Borrower Security Trustee and/or the Issuer Security Trustee and changes to certain of the operational covenants) involves the Rating Agencies being requested to confirm the then current ratings of the Notes, such confirmation may or may not be given at the sole discretion of the Rating Agencies. It should be noted that, depending on the timing of the delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide their confirmation in the time available or at all, and the Rating Agencies will not be responsible for the consequences thereof.

Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction since the Fourth Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the Fourth Closing Date, and cannot be construed as advice for the benefit of any parties to the transaction. In particular, Noteholders should be aware that the Rating Agencies owe no duties whatsoever to any parties to the transaction (including the Noteholders) in providing any confirmation of ratings. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Securitisation Group. In addition, it should be noted that any confirmation of ratings: (i) only addresses the effect of any relevant event, matter or circumstance on the current ratings assigned by the relevant Rating Agency to the Notes; (ii) does not address whether any relevant event, matter or circumstance is permitted by the Transaction Documents; and (iii) does not address whether any relevant event, matter or circumstance is in the best interests of, or prejudicial to, some or all of the Noteholders or other secured creditors.

Minimum denomination of Fourth Issue Notes

So long as the Fourth Issue Notes are represented by a Temporary Global Note or a Permanent Global Note (each as defined below) and Euroclear and Clearstream, Luxembourg so permit, the Fourth Issue Notes will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000 up to and including £199,000. It is, therefore, possible that the Fourth Issue Notes may be traded in amounts in excess of £100,000 that are not integral multiples of £100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than £100,000 (a) may not be able to trade such holding and (b) may not receive a definitive note in respect of such holding (should Definitive Notes (as defined in the Conditions) be printed) unless such Noteholder purchases a principal amount of Fourth Issue Notes such that its holding amounts to at least £100,000.

Marketability

Application has been made to the Stock Exchange for the Fourth Issue Notes to be admitted to the Official List and to trading on the Stock Exchange's regulated market. However, the Fourth Issue Notes will be new securities for which there is no established trading market. An active trading market may not develop or, if developed, may not be maintained. Accordingly, the development or liquidity of any trading market for the Fourth Issue Notes, the ability to sell Fourth Issue Notes or the prices at which it may be possible to sell Fourth Issue Notes cannot be assured. The liquidity of any market for the Fourth Issue Notes will depend on a number of factors, including:

- the number of holders of the Fourth Issue Notes;
- the Securitisation Group's operating performance and financial condition;
- the market for securities that are similar to the Fourth Issue Notes;
- the interest of securities dealers in making a market in the Fourth Issue Notes; and
- prevailing market interest rates.

Historically, the market for non-investment grade debt in the debt capital markets has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Fourth Issue Notes. It cannot be guaranteed that the market, if any, for the Fourth Issue Notes will be free from similar disruptions in the future or that any such disruptions will not adversely affect the prices at which it will be possible to sell Fourth Issue Notes. Accordingly, it cannot be assured that holders of Fourth Issue Notes will be able to sell Fourth Issue

Notes at a particular time or that Fourth Issue Notes will be sold at a favourable price, regardless of the Obligors' prospects and financial performance. Consequently, prospective purchasers of the Fourth Issue Notes should be aware that they may have to hold the Fourth Issue Notes until their maturity. In addition, the market value of the Fourth Issue Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Fourth Issue Notes by Noteholders in any secondary market that may develop may be at a discount to the original purchase price of such Fourth Issue Notes.

Market disruption

Each of the Class A1 Rate of Interest, the Class A3 Rate of Interest, the Class A5 Rate of Interest, the Class B2 Rate of Interest and, on and after the Class B1 Step-Up Date, the Class B1 Rate of Interest, will be the aggregate of a specified margin and the rate for three-month sterling deposits (or, in respect of the first Interest Period commencing on the date of issue of the relevant class of Notes, a rate obtained by a linear interpolation of available rates to reflect the length of such Interest Period) in the London interbank market determined in accordance with Condition 6 (*Interest*) (for the purposes of this paragraph, the "**Underlying Rate**"). Condition 6(c) (*Interest – Rates of Interest on the Notes and Step-Up Fees*) contains provisions for the calculation of such underlying rates based on rates given by various market information sources, and the definition for LIBOR contains alternative methods of calculating the underlying rate should those market information sources be unavailable. The market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

Modifications, Waivers and Consents

The Issuer Security Trustee may, from time to time and at any time and without the consent or sanction of any Issuer Secured Creditor (other than (i) any Liquidity Facility Provider, from whom the Issuer Security Trustee must obtain prior written consent in respect of any modification, consent or waiver to be made in respect of any Liquidity Facility Agreement to which that Liquidity Facility Provider is party and (ii) any Swap Counterparty, from whom the Issuer Security Trustee must obtain prior written consent in respect of any modification, consent, or waiver to be made to the Transaction Documents which may adversely affect the amount, timing or priority of any payment due to such Swap Counterparty under the Interest Rate Swap Agreement relating to it), agree:

(a) to any modification (save in respect of a Basic Terms Modification) to the Notes (including the Conditions) or any of the Transaction Documents or any waiver or authorisation of, any breach or proposed breach of the Notes (including the Conditions) or any of the Transaction Documents, provided that the Issuer Security Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Issuer Secured Creditors;

(b) to any modification (save in respect of a Basic Terms Modification) to the Notes or any of the Transaction Documents which, in the Issuer Security Trustee's opinion, is made to correct a manifest error or is of a formal, minor or technical nature; or

(c) to a change of the law governing the Notes and/or the Transaction Documents, provided that such change would not, in the opinion of the Issuer Security Trustee, be materially prejudicial to the interests of the Noteholders and/or the Issuer Secured Creditors.

Any such modification, waiver or authorisation shall be binding on the Issuer Secured Creditors.

In connection with any modification of, waiver or authorisation of any breach or proposed breach of, or consent under, any Transaction Document requested by any Obligor or the Issuer (as the case may be), the Issuer Security Trustee or the Note Trustee (as applicable), in considering whether such action is materially prejudicial to the interests of Noteholders or, as the case may be, Issuer Secured Creditors, shall be entitled to take into account whether the Ratings Test would be satisfied notwithstanding such action.

For so long as there are any Issuer Secured Liabilities outstanding, the Borrower Security Trustee may not make or sanction any modification, or waiver or authorisation of any breach or proposed breach, of the Transaction Documents except with the prior consent of, or as instructed by, the Issuer Security Trustee and in any such circumstance the Borrower Secured Creditors acknowledge and agree that the Issuer Security Trustee may give instructions and/or directions to the Borrower Security Trustee.

Considerations relating to the Business Operations of the Securitisation Group

General

The liquidation value of the Securitisation Estate may be adversely affected by risks generally incidental to the interests in real property, including changes in political and economic conditions or in the public house and restaurant industries, declines in property values, variations of supply of and demand for eating and drinking out of home, declines in occupancy rates in its accommodation, increases in interest rates, changes in rental terms including the tenants' responsibility for operating expenses, changes in governmental rules, regulations and fiscal policies, terrorism, acts of God and other factors which are beyond the control of the Issuer, the Initial Borrower, the other Obligors and any of the Other Parties.

Certain changes to regulation affecting the cost base

The Securitisation Group's operations are subject to regulation, and further changes in regulations could adversely affect results of operations, including through higher costs. More restrictive regulations could lead to increasing prices to consumers which, in turn, may adversely affect demand and therefore revenues and profitability. See the section entitled *"The United Kingdom Pub Industry – Regulatory Environment"* below for additional information on the regulation to which the Securitisation Group is subject. In particular, some examples of the regulatory changes which may affect the Securitisation Group's cost base include:

(a) the National Living Wage. In July 2015, it was announced that the UK government will introduce a compulsory minimum wage premium for all staff over 25 years of age, known as the National Living Wage. This wage premium was introduced in April 2016 and will rise to around £9 per hour by 2020. The introduction of the National Living Wage will impact the wage bills of the Securitisation Group, the GK Group and also the broader industry. Options for the GK Group to mitigate the impact include driving productivity, for example through IT automation, improved labour scheduling and reviewing the existing operational cost base. If these actions do not mitigate the impact to the extent anticipated, the impact on the cost base and profitability will be greater than expected;

(b) the holiday pay. There is outstanding employment litigation that is likely to affect how holiday pay should be calculated and therefore could impact the wage bills of the Securitisation Group and the GK Group;

(c) the gender pay gap reporting. In March 2015, it was announced that the UK government intends to introduce regulations requiring companies with at least 250 employees to publish information about their gender pay gap from March 2016. The government held a consultation from 12 February 2016 to 11 March 2016 and is currently analysing the results of this consultation. No draft regulations have yet been published and so the level of detail or scope of the reporting is not yet known (although it will include bonuses). There is likely to be a cost to the business associated with collating and analysing the pay information required to comply with the reporting requirements;

(d) the Apprenticeship Levy. The UK government is proposing to introduce a levy on apprenticeship providers equivalent to 0.5 per cent. of payroll, shifting the cost of apprentices from the UK government to the private sector; and

(e) competition, consumer protection, health and safety, sanitation, alcoholic beverage control and environmental laws which could adversely affect the Securitisation Group's operations.

Concentration of business operations in the United Kingdom

All of the pubs within the Securitisation Group are located in the United Kingdom. Given the UK focus of the Securitisation Group's operations, it is substantially influenced by general economic conditions in the United Kingdom and cannot be offset by developments in other markets. Economic recovery or further economic changes could affect consumer expenditure, the managed and leased and tenanted estates of the Securitisation Group and its revenues and cashflows. Recent recessions in the United Kingdom, and the economic downturn more generally, have had (and will likely continue to have) an adverse effect on consumer confidence and discretionary spending in the United Kingdom. In addition, economic factors such as a rise in interest rates, unemployment and tax rates, lack of availability of consumer credit, a continuation of government policies that favour fiscal austerity and a decrease in spending and/or fiscal stimulus, could all, individually or in the aggregate, adversely affect levels of consumer confidence and discretionary spending. Any reduction in levels of consumer confidence or discretionary spending could adversely affect the Securitisation Group's business, operating results and prospects. Conversely, sudden and significant improvements in the United Kingdom may not be anticipated by the Securitisation Group and the wider industry, and there may be a time lag between the improvement in the economic environment and the positive impact on the Securitisation Group's business, operating results and prospects.

In addition, any deterioration in the UK economic and financial market conditions may:

- cause financial difficulties for the Securitisation Group's suppliers and partners, which may result in their failure to perform as planned and, consequently, create delays in the delivery of the Securitisation Group's products and services;
- result in inefficiencies due to the Securitisation Group's deteriorated ability to forecast developments in the markets in which the Securitisation Group operate and failure to adjust the Securitisation Group's costs appropriately;
- cause reductions in the future valuations of the Securitisation Group's investments and assets and result in impairment charges related to goodwill or other assets due to any significant underperformance relative to the Securitisation Group's historical or projected future results or any significant changes in the Securitisation Group's use of assets or the Securitisation Group's business strategy;
- result in new, increased or more volatile taxes, which could negatively impact the Securitisation Group's effective tax rate, including the possibility of new tax regulations, interpretations of regulations that are stricter or increased effort by governmental bodies seeking to collect taxes more aggressively; and
- result in increased customer requests for reduced pricing and reduced renewal rates if these requests for reduced pricing are not granted.

Licensing reform

The Securitisation Group's businesses are subject to licensing requirements relating to the sale of alcoholic beverages and these requirements are subject to change from time to time. Difficulties or failures in obtaining or maintaining required licences or approvals could delay or prohibit the operation of the Securitisation Group. If any of the Securitisation Group's business' licences were withdrawn or amended, the profitability of the affected pubs could be adversely affected and this, in turn, may have an adverse effect on the Securitisation Group's operating results, financial condition and prospects. Additional or more stringent requirements could be imposed on the Securitisation Group's operations in the future.

Employment legislation

The Securitisation Group's businesses are subject to risks in connection with changes to employment laws whether by government legislation or by decisions of the courts that are changing the interpretation of existing legislation which impacts businesses in the UK.

Such changes in employment law could create additional costs for businesses, including for the Securitisation Group, which in turn could have a material adverse effect on the Securitisation Group's business, prospects, financial condition and results of operations. Further details regarding certain regulatory changes can be found at the risk factor entitled *"Certain changes to regulation affecting the cost base"* above.

Declining sales of beer in the United Kingdom

A significant portion of the Securitisation Group's turnover is currently derived from the sale of beer to its customers. In recent years, sales of all beer (by volume) in Great Britain have decreased, principally as a result of the decline in alcohol consumption and increased demand for non-beer products, such as wine and other alcoholic beverages.

Growing health and drink-driving concerns (as e.g. expressed by the UK government in the proposed UK Chief Medical Officers' Alcohol Guidelines which were recently subject to public consultation), as well as the ability to purchase canned or bottled beer at lower prices in many off-licences and supermarkets, have also contributed to the downward trend in beer sales at pubs. Accordingly, the Securitisation Group's pubs will continue to offer a broad selection of non-beer alcoholic drinks, as well as a wide range of food, to continue to attract customers.

If the Securitisation Group is not able to grow successfully its income streams from other products, a continued decline in the British beer market could have an adverse effect on the Securitisation Group's turnover and overall financial performance. In addition, retailers could be affected to an even greater extent by a decline in the UK beer market or in the ability of pubs to attract customers and any such decline could result in an increase in retailer defaults and business failures which could adversely affect the Securitisation Group's financial performance.

Ability of pubs within the Securitisation Estate to attract consumers

Factors influencing the ability of pubs within the Securitisation Estate to attract customers include the attractiveness and availability of competing products and services, and the ability of the Securitisation Group to adapt to changing consumer tastes and the changing consumer environment including responding to the increasing use of digital media by customers.

There are a wide variety of pubs and restaurants (including those specifically targeting the casual dining market) as well as off-licences, supermarkets and takeaways operating within the same space as the Securitisation Group. Some of these alternative options may offer higher amenity levels or lower prices or may be backed by greater financial and operational resources than those the Securitisation Group possesses. Any such alternative provider could draw consumers away from pubs that are part of the Securitisation Estate.

There are also a number of leisure companies competing for customer discretionary spend and changing consumer tastes may alter consumer spend on eating and drinking out of home relative to spend on other leisure activities out of home.

Ongoing trends in technology including digital and social media have altered customer acquisition methods for the eating and drinking out of home market. The online audience is now far greater and companies in the eating and drinking out of home market must ensure that they target this audience. Failure to keep up with these digital trends could impact the Securitisation Group's ability to attract new customers and to retain existing customers.

Small Business, Enterprise and Employment Act

As part of the UK government's reforms to the regulatory regime governing the relationship between pub companies and their tenants in March 2015, the Small Business, Enterprise and Employment Act 2015 (the "**SBEE Act**") received Royal Assent. Section 42 of the SBEE Act requires the Secretary of State to make regulations regarding pub-owning businesses and their dealings with tenants (the "**Pubs Code**") by 26 May 2016. The UK government released the details of the proposed secondary legislation on 15 April 2016.

Pursuant to the SBEE Act and the Pubs Code, pub-owning businesses (with 500 or more tied pubs), such as the Securitisation Group will be required to provide their tenants and leaseholders, at certain points or after certain events, with a market rent only ("**MRO**") option (referring to the right of the tenant, or leaseholder to be offered such tenancy or lease in exchange for a market rent, which may be independently assessed) such that they may become free of tie. "Tie" is the term for an obligation to buy from the landlord, or from some person nominated by the landlord, some or all of the alcohol to be sold at the premises. The SBEE Act and the Pubs Code will also manage other aspects of the relationship between pub-owning businesses and their tenants, including a requirement to provide, in specified circumstances, rent assessments.

The MRO option may have a negative impact (to the extent not mitigated) on the profitability of the Securitisation Group's tenanted and leased business, which accounts for 25 per cent. of the Securitisation Group's EBITDA, for instance through forcing the Securitisation Group over a period of time to offer its licensees "free-of-tie" agreements, which could be less favourable to the Securitisation Group than existing commercial arrangements with the relevant tenants and leaseholders. However, the full impact of the MRO option still cannot be quantified due to the current uncertainty as to how some of the regulations may work and the impossibility of accurately predicting how publicans will or might respond. The MRO phases in over the next 5 years as existing tenancies on applicable pubs expire. Potential mitigants against the impact arising from the MRO option include entry into new agreements and continued work to maintain the already strong partnerships between the Securitisation Group and its tenants. Additional costs may also arise due to the implementation of the Pubs Code.

Fiscal-related matters

The Securitisation Group's activities are affected by a number of fiscal-related matters. These matters include duty on alcoholic beverages, VAT and other business taxes. Changes in legislation which affect all or any of these matters may adversely affect the financial performance of the Securitisation Group.

Business regulation

In addition to crime and disorder, the licensed trade, in common with most areas of industry, faces increasing regulation in the fields of employment, health and safety and access for the disabled. The general trend is to restrict flexibility in the workforce and also to make small businesses subject to the same procedures and employment laws as large businesses. The compliance with this regulation has an effect on the trade in as much as licensees have to devote more time to this and therefore less time to the trade. To counteract this, support, in the form of guidance to the legislation, is provided to the tied tenants by the Securitisation Group.

Violation of or change in gambling laws

The pub industry in the United Kingdom is highly regulated and the regulatory environment is subject to change. In relation to gaming machines, the Gambling Act 2005 sets out explicit monetary limits on stakes and prizes, as well as social responsibility provisions requiring close supervision of games. This Act also introduced changes to the broader categories of machines permitted in alternative venues such as casinos, licensed betting offices, bingo halls, amusement arcades, family entertainment centres and motorway service stations, that may increase the competitive threat to the Securitisation Group's gaming revenue. If the Securitisation Group's pubs were to violate the regulatory gaming rules or if the rules were to reduce the number of customers patronising the Securitisation Group's pubs, it could have an adverse effect on the Securitisation Group's operating results, financial condition and prospects.

A portion of the revenue of pubs is currently derived from leisure machines. A decline in revenues from leisure machines could have an adverse effect on the Securitisation Group's operating results, financial condition and prospects.

Potential changes to laws relating to alcoholic beverages and drink driving laws

In the UK, consumption of alcoholic beverages has become the subject of considerable social and political attention in recent years due to increasing public concern over alcohol-related social problems including drink driving, underage drinking and adverse health consequences associated with the misuse of alcohol, including alcoholism. As a result of such attention, the UK government recently undertook a public consultation with respect to certain of the UK Chief Medical Officers' Alcohol Guidelines proposed by an expert group set up by the UK government in 2012.

The UK government may consider initiatives to deal with so-called 'binge drinking', such as the introduction of a mandatory code that would impose a series of mandatory conditions on all alcohol retailers. If such a mandatory code, or similar measures, were to be implemented by the UK government, then the additional conditions imposed on pubs might impact the manner in which all pubs operate and could take effect regardless of the past record of individual pubs. One measure previously contemplated in both Scotland and England involves the introduction of minimum prices for alcoholic drinks. Another measure which is debated from time to time by the UK government and in the media is the raising of the legal drinking age to 21. Any such measures which reduce the Securitisation Group's, its managers' or its licensees' flexibility to implement the business strategies that are considered to be the most likely to maximise profitability, could have a material impact on the Securitisation Group's operating results, financial condition and prospects.

The Securitisation Group's businesses are subject to licensing requirements relating to the sale of alcoholic beverages and these requirements are subject to change from time to time. Additional or more stringent requirements could be imposed on the Securitisation Group's operations in the future. To the extent that this increases costs or reduces the Securitisation Group's ability to sell alcoholic beverages, it could have an adverse effect on the Securitisation Group's operating results, financial condition and prospects.

The European Commission recommended in the "White Paper on European transport policy for 2010: time to decide" of October 2002 that all countries in the EU adopt the same drink and drive limit of 0.5mg/ml blood alcohol concentration. The Scottish Government reduced the limit from 0.8mg/ml to 0.5mg/ml with effect from 5 December 2014. However, the current legal limit in England and Wales remains 0.8mg/ml (see sections 11(1) and (21) of the Road Traffic Act 1988). It is not known if or when the UK Government will follow in the Scottish Government's footsteps. See further the section entitled *"The United Kingdom Pub Industry – Regulatory Environment – Drink Driving"* below.

An increased focus on the potentially harmful effects of alcohol may reduce sales of alcoholic beverages and thus negatively impact the Securitisation Group's operating results, financial condition and prospects.

Borrower's reliance on the GK Group's brand equity

It is important that the GK Group has the ability to maintain and continually improve the profile, image and reputation of its existing products. The image and reputation of the GK Group's products or branded pubs and restaurants may be impacted by various factors, including failure to properly execute the branded model, litigation and complaints from customers, employees, tenants, other third parties or regulatory authorities resulting from quality failure, illness, injury or other health concerns. Such concerns stemming from one product or a number of products, including products provided by the GK Group, even when unsubstantiated, could be harmful to the GK Group's image and the reputation of its products. Increased use of digital and social media by customers has the potential to exacerbate or accelerate the consequences of any such issues, providing a platform for grievances (legitimate or not) to be publicised. If any such issue were to occur, sales of the GK Group's products and business at its pubs and restaurants could decline and restoring the image and reputation of the GK Group's operations may be costly and time consuming. Any harm caused to the GK Group's brands or reputation could have a negative effect on the GK Group's and therefore the Securitisation Group's operating results, financial condition and prospects.

The failure of key sporting teams to perform as expected could negatively affect sales

Key sporting events, such as rugby union and football tournaments involving national teams or major club sides, have the potential to add incremental sales in those pubs where such sporting events are screened for customers. The failure of English, Welsh or Scottish national teams or of major club sides to qualify for or to perform well in such key sporting events could negatively affect sales in the Securitisation Group's pubs, just as the success of such teams could positively affect sales.

Changes in supplier dynamics

In recent years, there has been a consolidation in the pub, brewing and distribution industries in the UK. This consolidation could have the effect of exposing Supply Co to reliance on a limited number of suppliers, and those suppliers may be able to exert pressures on the Securitisation Group that could have the effect of raising the prices paid by it for goods bought or delivered, reducing margins and adversely affecting results of operations.

Supply Co has entered into agreements with all of its key suppliers. Termination of these agreements, variation of their terms or the failure of a party to comply with its obligations under these agreements could have a material adverse effect on its ability to comply with its obligations under the Intra Group Supply Agreement in respect of those products not produced by Supply Co itself and therefore could have a negative effect on the operations and financial performance of the Securitisation Group.

Seasonality and weather

Attendance at the Securitisation Group's pubs is generally higher during holiday periods, such as Christmas and New Year, and over bank holidays. Frequenting of pubs is slightly lower during the winter months than in the summer. Attendance levels at the Securitisation Group's pubs may also be adversely affected by persistent rain or other inclement weather, especially during the summer months or over the Christmas period (which are peak trading times). This could have a negative effect on turnover generated by the Securitisation Group's pubs and, in turn, could have a negative effect on the results of the Securitisation Group's operations.

Guaranteeing income and optimising profit

The Securitisation Group leases some of its pubs to tenants or lessees, each of whom is generally free to operate and manage the pub as it sees fit, subject to the terms of its lease or tenancy agreement. Since a substantial proportion of the Securitisation Group's turnover is currently derived from wet product sales to its tenants or lessees, declining sales due to local factors over which the Securitisation Group may have no direct control, such as poor pub management, marketing, or changing local demographic trends, may also result in a decline in the Securitisation Group's sales to that pub.

Persistent under-performance by tenants or lessees could, in the aggregate, result in a decrease in the Securitisation Group's turnover and overall financial condition.

Tenancy agreements

There is a general risk that rental and other payments owing to the Securitisation Group (including, for example, for the supply of beer and other products to the tenants and for receipts from amusement machines) will not be paid on the due date or will not be paid at all. A sufficient aggregation of such late or non-payments would affect the profitability of the Securitisation Group. Continued failure by a particular tenant to pay the rental and other payments due to the landlord would usually result in the departure of the tenant and the leasing of the relevant pub to a new tenant. There may be a period following the departure of the former tenant, and before a replacement tenant can be found, where cashflow to the Securitisation Group is reduced. The relevant pub may also become vacant, which would reduce the Securitisation Group's revenue and its ability to recover certain operating costs (which would, in turn, result in it incurring additional expenses until the property is re-let). In addition, the rent and other payments payable by the replacement tenants may not be as high as those payable by former tenants. These risks could have an adverse effect on the Securitisation Group's operating results, financial condition and prospects.

Competition for high quality tenants

A portion of the Securitisation Group's pubs are operated by lessees or tenants. Individuals seeking to enter the pub operating business have several alternatives to being a lessee or tenant, any of which may prove to be more attractive depending on personal circumstances. These include becoming an employee of a managed pub company, acquiring a pub freehold or leasehold outright or joining one of numerous other leased or tenanted pub companies as a lessee or tenant. Licensed restaurants, cafes and bars can also offer attractive business opportunities for the type of tenants or lessees that the Securitisation Group would like to attract. If the Securitisation Group is not successful in convincing prospective tenants or lessees of the benefits of leasing its pubs, the Securitisation Group may lose high quality tenants as a result and there may be a material and adverse effect on the Securitisation Group's operating results, financial condition and prospects.

Capital expenditure is required to maintain quality sites to attract consumers and tenants

The Securitisation Group needs to invest cash generated from operations or pub disposals to both improve and maintain its existing pubs in the Securitisation Estate. The Initial Borrower is under an obligation to expend a minimum amount on capital expenditure in each financial year. Any shortfall in expenditure from one financial year's capital expenditure minimum amount is to be carried forward into the next financial year's capital expenditure budget. Notwithstanding this requirement for the Initial Borrower to expend a minimum amount on capital expenditure, there is still no guarantee that such amount will be sufficient to maintain the pubs in the Securitisation Estate. If the Securitisation Group does not generate sufficient levels of cash from its operations, then it may not be able to maintain its pubs at levels required to attract customers or (in the case of tenanted pubs) to attract new or retain existing tenants. This, in turn, may adversely affect the number of customers that frequent the pubs in the Securitisation Estate, or their level of spending at such pubs, the result of which could materially and adversely affect the Securitisation Group's operating results, financial condition and prospects.

Acquisitions of pubs

A number of the pubs forming part of the Securitisation Estate have been acquired by the Greene King group in a series of transactions involving the acquisition from third parties of large numbers of pubs and/or companies owning pubs. Over time, further such pubs may be acquired by the Securitisation Group. There are certain legal, commercial and tax risks inherent in any such acquisition although such risks generally reduce with time.

Complaints or litigation from pub customers, employees and third parties

The Securitisation Group could be the subject of complaints or litigation from individuals or groups of pub customers and/or employees and/or class actions alleging illness or injury (e.g. passive smoking or alcohol abuse) or raising other food quality, health or operational concerns, and from other third parties in nuisance and negligence. It may also incur additional liabilities as a freehold property owner (including environmental liability as to which see the investment consideration *"Considerations relating to the Mortgaged Properties – Environmental considerations"* below). These claims may also divert the Securitisation Group's financial resources from more beneficial uses. If the Securitisation Group were to be found liable in respect of any complaint or litigation, this could adversely affect the Securitisation Group's results of operations, and also adversely affect its reputation or that of its brands.

Fluctuations in the property market

A downturn in the UK property market may lead to a reduction in the Securitisation Group's freehold property values over time. Based upon the valuation of the Securitisation Estate as at 1 April 2016 contained in the Valuation Report and assuming that there has been no change to such valuation as at the Fourth Closing Date, the ratio (expressed as a percentage) of the Principal Amount Outstanding of the Notes in issue on the Fourth Closing Date (assuming the issue of the Fourth Issue Notes) to the aggregate open market value (calculated on an existing use basis) of the Securitisation Estate is approximately 68 per cent. There will be no obligation on the Issuer, the Obligors or any other person to maintain such ratio below any particular maximum level or to publish or notify any person of such ratio and any rise in such ratio will not result in a default in respect of either the Issuer/Borrower Facility Agreement or the Notes and will not of itself require any further action on the part of the Issuer, any Obligor or any other person.

A higher proportion of leasehold assets outside the Securitisation Group

Following the acquisition of Spirit Pub Company plc, the proportion of freehold and long leasehold properties in the GK Group declined from 94 per cent. as at 3 May 2015 to 83 per cent. as at 18 October 2015. A higher proportion of leasehold assets in the business increases demands on cashflow and, in the event that trading were to decline, these additional demands on cashflow could reduce the flexibility of the GK Group and potentially impact the Securitisation Group.

Computer and/or information system breakdowns could impair the Securitisation Group's ability to service its customers

If any of the Securitisation Group's or the GK Group's financial, human resources, communication or other systems were to be disabled or did not operate properly (including as a result of computer viruses, problems with the internet or sabotage), the Securitisation Group and/or the GK Group could suffer disruption to its business, liability to customers, loss of data, regulatory intervention or reputational damage. Each of these could have an adverse effect on the Securitisation Group's operating results, financial condition and prospects.

The Securitisation Group will have funding and regulatory risks relating to the GK Group defined benefit pension schemes

The principal funding risk for the Securitisation Group arising from the operation of the GK Group defined benefit pension schemes (the "**DB Schemes**") is that the value of their assets (which move in line with markets) may not fully cover the amount of their liabilities, potentially requiring the Securitisation Group to increase its contributions.

In addition, actions by the Pensions Regulator or the trustees of the DB Schemes, or changes to existing pension law, could result in additional funding obligations, which could have a material adverse effect on the overall financial position of the Securitisation Group. For example: (i) the trustees may increase the employer funding obligations by changing their investment strategy; (ii) the Pensions Regulator may impose increased employer contributions if these are not agreed by the trustees and the employers within 15 months of the triennial valuations; (iii) the DB Schemes may be wound up by the Pensions Regulator or the trustees of the DB Schemes in certain circumstances, which would require the employers to fund the purchase of annuities from an insurance company; and (iv) the Pensions Regulator may require funding from members of the Securitisation Group for the DB Schemes in certain circumstances (in the form of a contribution notice or financial support direction).

Increases in operating and other expenses could have a material impact on the Securitisation Group's financial results

The Securitisation Group's operating and other expenses could increase without a corresponding increase in turnover. Factors which could increase operating and other expenses include:

(a) increases in the rate of inflation;

(b) increases in taxes and other statutory charges;

(c) changes in laws, regulations or government policies which increase the costs of compliance with such laws, regulations or policies;

(d) significant increases in insurance premiums;

(e) unforeseen capital expenditure arising as a result of defects affecting the Securitisation Group's properties which need to be rectified or failure to perform by sub-contractors; and

(f) increases in the minimum wage or changes in employment legislation.

In addition, the Securitisation Group's tenants would be disproportionately exposed to increases in costs (because such tenants have less purchasing power). Such increases or changes could have a negative effect on the Securitisation Group's operating results, financial condition and prospects.

Increasing global food prices may negatively impact sales margins for the Securitisation Group's pubs

Food and drink purchases account for a significant portion of the Securitisation Group's managed pubs supply costs. The Securitisation Group is therefore exposed to the risk of higher food prices depending on world economic conditions, global availability and demand for products. There can be no guarantee that the Securitisation Group would be able to contain the effect of rising food prices and, if such rises continue, this could result in a reduction of margins and profits from the Securitisation Group's managed pubs, which in turn could have a negative effect on the Securitisation Group's operating results, financial condition and prospects. In addition, the Securitisation Group's tenants would be disproportionately exposed to increases in costs (because such tenants have less purchasing power). Such increases or changes could have a negative effect on the Securitisation Group's operating results, financial condition and prospects.

The Securitisation Group will have a high proportion of fixed overheads which cannot be easily reduced in response to variable revenues

A high proportion of the Securitisation Group's operating overheads and certain other costs will remain constant even if its revenues drop. For example, the expenses of owning and operating managed pubs cannot be significantly reduced when circumstances such as market and economic factors and competition cause a reduction in revenues.

The Securitisation Group will be dependent on key executives and personnel for its future success

The Securitisation Group's future success will be substantially dependent on the continuing services and performance of key executives and its ability to continue to attract and retain highly skilled senior management and qualified pub managers in accordance with the Management Services Agreement. The failure to recruit, develop, motivate and retain suitable replacements for any of the current directors or significant numbers of other key employees could damage the Securitisation Group's business.

The GK Group will be reliant on positive and continuing relationships with its key suppliers

The GK Group's agreements with its key suppliers are integral to its business and that of the Securitisation Group. Termination of these agreements, variation of their terms or the failure of a key supplier to comply with its obligations under these agreements (including if a key supplier were to become insolvent) could have a negative effect on the GK Group's ability to ensure that the Securitisation Group's managed and tenanted pubs are properly supplied with non-GK Group branded beer and other products and services and could increase costs if it becomes necessary to find alternative suppliers.

Health-related food scares could affect the Securitisation Group's profitability

A major national or international food scare (for example, avian flu, salmonella, E. coli, swine flu, and other airborne diseases, and issues surrounding the integrity and traceability of food supplies) affecting foods and beverages sold in the Securitisation Group's pubs and restaurants could increase costs for the Securitisation Group in sourcing alternative suppliers or have an impact on consumer confidence and preferences, reducing attendance or expenditure at the Securitisation Group's pubs and restaurants. A prolonged contamination or food scare could therefore have a negative impact on the Securitisation Group's operating results, financial condition and prospects.

Health and Safety Offences, Corporate Manslaughter and Food Safety and Hygiene Offences Definitive Guideline

On 1 February 2016, the Health and Safety Offences, Corporate Manslaughter and Food Safety and Hygiene Offences Definitive Guideline (the "**Definitive Guideline**") came into force. The Definitive Guideline in particular introduces sentencing guidelines with respect to the amount to be imposed as a fine upon a company which breaches its duty under the Health and Safety at Work etc. Act 1974 to ensure that third persons (such as pub visitors) are not exposed to risks to their health and safety by the relevant company's conduct of business. The Definitive Guideline states that the amount of any such fine shall take into account several factors, such as e.g. the potential harm and the average annual turnover of the relevant company, and stipulates different categories, each providing for a specific range in which the fine imposed must fall under.

Given that by introducing such categories and ranges the Definitive Guideline provides minimum fines (this was not previously provided for in the Health and Safety at Work etc. Act 1974 itself), this may lead to a higher level of fines than was previously the case. Any significant fine imposed on any member of the Securitisation Group could have a negative impact on the Securitisation Group's cashflow and therefore its operating results, financial condition and prospects.

Insurance

The Issuer/Borrower Facility Agreement requires the Securitisation Group to carry insurance with respect to the Securitisation Estate in accordance with the terms set out therein, which the Securitisation Group may fulfil under a GK Group policy. The Borrowers' ability to repay the Issuer/Borrower Facility Agreement may be adversely affected if an uninsured or uninsurable loss were to occur, which may adversely affect the ability of the Issuer to pay interest on and principal of the Notes. In addition, the Borrowers could be liable to repair damage caused by uninsured risks. The Borrowers may also remain liable for any debt or other financial obligation related to those properties. See also the sections entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Representations and Warranties"*, *"Further Covenants"* and *"Loan Events of Default"* below.

The insurance arrangements for the Securitisation Group form part of the services provided by Management Co under the Management Services Agreement. The Management Services Agreement allocates the appropriate level of premium payable by the Securitisation Group (on a fair and reasonable basis) and also allocates appropriate sub-limits within the context of the GK Group's overall cover limits to the Securitisation Estate and the non-securitisation estate (also on a fair and reasonable basis) (see the sections entitled *"Description of the Borrower Transaction Documents – Management Services Agreement"* below).

Insurance policies held or maintained by the Securitisation Group cover such risks as property damage and business interruption. There is a risk that the Securitisation Group's properties could suffer damage so extensive that it is not fully covered by the insurance the Securitisation Group holds.

There are, however, certain types of losses (such as losses resulting from wars, terrorism, nuclear radiation, radioactive contamination, flooding, heave or settling of structures) that could be or become either uninsurable or not economically insurable, or are otherwise not covered by the required insurance policies. If an uninsured loss (or a loss above the level of the Securitisation Group's insurance coverage) occurs at one or more of the Securitisation Group's properties, the Securitisation Group could lose all or a portion of the capital it had invested in, as well as any anticipated future revenue from, those properties. In addition, the Securitisation Group could be liable to repair damage caused by uninsured risks, and could remain liable for any debt or other financial obligation related to those properties. Any such occurrence could have an adverse effect on the Securitisation Group's business, financial condition and results of operations.

Impact of operations outside the Securitisation Group

EBITDA from the pubs within the Securitisation Estate (excluding overheads) accounted for 65 per cent. of the EBITDA from the total pubs operated by the GK Group for the period from 5 May 2014 to 3 May 2015. As described in the section entitled *"Description of the Business – Business – Brewing & Brands"* below, the GK Group operates a brewing, distribution and wholesaling business which accounted for 11 per cent. of the EBITDA of the entire GK Group for the period from 5 May 2014 to 3 May 2015. The GK Group may also develop or acquire further operations outside the Securitisation Group in the future. Any current or future operations and related financing arrangements outside the Securitisation Group could be expected to be subject to some or all the foregoing risks relating to business operations. There can be no assurance that these additional operations and/or financing arrangements will not have any adverse impact on the business and operations of the Securitisation Group.

Acquisition and integration of Spirit Pub Company plc

On 23 June 2015, Greene King plc completed the acquisition of Spirit Pub Company plc ("**Spirit**"). An integration process has subsequently commenced, with the aim of realising cost synergies in the region of £35 million. In relation to the Securitisation Group, the cost synergies are estimated to be £2.5 million from the beginning of the year 2015. An "agreed upon procedure" has been performed in this respect, which is, however, partially based on projections and, therefore, the actual cost synergies may differ. It is also anticipated that revenue synergies will be generated including from the sale of the GK Group's beers to the enlarged pub estate and from optimising the combined portfolio of brands and pub assets. Principal risks to the Securitisation Group from the integration of Spirit include, but are not limited to, the following:

(a) senior executive and management team time. The senior executive and management team are focused on the dual tasks of integrating Spirit and continuing to grow the existing GK Group and Securitisation

Group business. However, complications or unforeseen challenges in the integration process could lead to the senior executive and management team focusing on the integration of Spirit at the expense of the pre-Spirit acquisition GK Group, including the Securitisation Group, which could negatively impact the Securitisation Group's operating results, financial condition and prospects;

(b) key elements of the integration of Spirit include the alignment and integration of information technology systems, supply chains and distribution networks. Significant time and resource have been dedicated by the GK Group to ensure that the associated risks are mitigated as far as possible. However, delays, issues and failure to mitigate risks could negatively impact the Securitisation Group's operating results, financial condition and prospects; and

(c) part of the rationale for the acquisition of Spirit was the opportunity to optimise the combined portfolio of brands and assets. As a result, some assets within the Securitisation Group may change brand to another brand currently within the wider GK Group portfolio that is deemed to better match the asset and therefore lead to improved operating and financial results. With the assistance of external consultants, extensive analysis has been completed to determine the optimal portfolio of brands and assets. However, there is a risk that assets switching brands produce less of an uplift to profitability, or that the uplift takes longer to take effect than forecast, which could impact the Securitisation Group's operating results, financial condition and prospects.

Considerations relating to the Mortgaged Properties

On the Fourth Closing Date, the interest held by the Initial Borrower in 1,476 of the Mortgaged Properties in the Securitisation Estate will be freehold/heritable and the interest held by the Initial Borrower in 67 Mortgaged Properties in the Securitisation Estate will be either wholly or partly under a leasehold title (the "**Leasehold Mortgaged Properties**"). These figures include Permitted Acquisitions of which there were 151 pubs acquired between 27 June 2008 and the date of this Prospectus (the "**Substituted Estate**"). All such Permitted Acquisitions were freehold save for one long leasehold. In addition, a further 89 pubs will be acquired by the Initial Borrower on or about the Fourth Closing Date which have also been taken into account in these figures together with Permitted Disposals, of which there have been 712 Mortgaged Properties disposed of prior to the date of this Prospectus, and of which there will be a further 20 Mortgaged Properties disposed of on or about the Fourth Closing Date.

Investigations and Certificates of Title

Birketts LLP ("**Birketts**") produced spreadsheets in respect of the Securitisation Estate (as at each of the First Closing Date, the Second Closing Date and the Third Closing Date) (the "**Original Spreadsheets**") summarising the relevant information required for each Mortgaged Property for the purposes of creating legal security over the Mortgaged Properties in the Securitisation Estate as at each of the First Closing Date, the Second Closing Date and the Third Closing Date, respectively. DWF LLP ("**DWF**") have produced a further spreadsheet in respect of the Further Mortgaged Properties located in England and Wales (the "**DWF Further Spreadsheet**"). TLT LLP ("**TLT**") have also produced a similar spreadsheet in respect of the Further Mortgaged Properties located in Scotland (the "**TLT Spreadsheet**" and together with the DWF Further Spreadsheet, the "**Further Spreadsheets**"). The Further Spreadsheets and the Original Spreadsheets are together referred to as the "**Spreadsheets**".

Birketts produced certificates of title and supplemental certificates of title:

(a) dated 3 March 2005 for a sample (the "**First Sample**") comprising 145 freehold Mortgaged Properties (of which 49 comprised Managed Pubs and 96 comprised Tenanted Pubs), 26 long leasehold and two mixed long leasehold and freehold Mortgaged Properties located in England and Wales;

(b) dated 3 May 2006 for a sample (the "**Second Sample**") comprising 112 freehold Mortgaged Properties (of which 35 comprised Managed Pubs and 77 comprised Tenanted Pubs), 31 long leasehold and eight mixed long leasehold and freehold Mortgaged Properties located in England and Wales; and

(c) dated 26 June 2008 for a sample (the "**Birketts Third Sample**") comprising 39 freehold Mortgaged Properties (of which 15 comprise Managed Pubs and 24 comprise Tenanted Pubs), 10 long leasehold and five mixed long leasehold and freehold Mortgaged Properties located in England and Wales.

Boyle Shaughnessy Solicitors Ltd ("**Boyle Shaughnessy**") produced certificates of title dated 26 June 2008 for a sample (the "**Boyle Shaughnessy Sample**", together with the Birketts Third Sample, the "**Third Sample**") comprising 57 heritable Mortgaged Properties (of which 12 comprise Managed Pubs and 45 comprise Tenanted Pubs) and two long leasehold Mortgaged Properties located in Scotland.

Such certificates of title are the "**Original Certificates of Title**".

DWF produced certificates of title dated 24 May 2016 for a sample (the "**DWF Sample**") comprising 15 freehold, one long leasehold and one mixed long leasehold and freehold Further Mortgaged Properties located in England and Wales, all of which comprise Managed Pubs. DWF also produced certificates of title dated 24 May 2016 for a sample (the "**DWF Substituted Estate Sample**") comprising 27 freehold and one long leasehold Mortgaged Properties located in England and Wales, comprising part of the Substituted Estate, all of which comprise Managed Pubs.

TLT produced certificates of title dated 24 May 2016 for a sample (the "**TLT Sample**", together with the DWF Sample, the "**Fourth Sample**") comprising five heritable Further Mortgaged Properties located in Scotland all of which comprise Managed Pubs. TLT also produced certificates of title dated 24 May 2016 for a sample (the "**TLT Substituted Estate Sample**", together with the DWF Substituted Estate Sample, the "**Substituted Estate Sample**") comprising five heritable Mortgaged Properties located in Scotland comprising part of the Substituted Estate, all of which comprise Managed Pubs.

Such certificates of title are the "**Further Certificates of Title**" and together with the Original Certificates of Title, the "**Certificates of Title**".

The First Sample, the Second Sample, the Third Sample and the Fourth Sample (together, the "**Samples**") were selected by reference to the freehold/heritable Mortgaged Properties with the highest EBITDA and all the Leasehold Mortgaged Properties in the Securitisation Estate. The First Sample represented approximately 19 per cent. by number of the Mortgaged Properties comprised in the Securitisation Estate (as at the First Closing Date) and approximately 31.2 per cent. by reference to EBITDA (for the period from 25 August 2003 to 22 August 2004). The Second Sample represented approximately 18 per cent. by number of the Further Mortgaged Properties entering the Securitisation Estate following the Second Closing Date and approximately 33 per cent. by reference to EBITDA (for the period from 13 December 2004 to 11 December 2005). The Third Sample represented approximately 27 per cent. by number of the Mortgaged Properties entering the Securitisation Estate following the Third Closing Date and approximately 38.4 per cent. by reference to EBITDA (for the period from 8 January 2007 to 6 January 2008). The Fourth Sample represented 24.72 per cent. by number of the Further Mortgaged Properties and 40.57 per cent. by reference to EBITDA (for the 52-week period ending 10 January 2016). The Substituted Estate Sample represented 21.85 per cent. by number of the Substituted Estate and 38.77 per cent. by reference to EBITDA (for the 52-week period ending 18 October 2015).

Birketts, Boyle Shaughnessy, DWF and TLT (the "**Reporting Counsel**") have not reported in the Certificates of Title on the terms of the occupational leases or tenancy agreements (the "**Tenancy Agreements**") relating to those properties in the Securitisation Estate which are subject to pub tenancies (the "**Tenanted Properties**"). Instead Birketts and Boyle Shaughnessy have prepared reports on the relevant standard forms of the respective Tenancy Agreements used in respect of the Tenanted Properties (the "**Tenancy Summaries**"). However, where Tenancy Summaries were prepared by Birketts at the First Closing Date or the Second Closing Date, only Tenancy Summaries in respect of additional Tenancy Agreements relating to the occupational leases in place at the Mortgaged Properties at the Third Closing Date were prepared in connection with the issue of the Third Issue Notes. There will be a warranty in the Issuer/Borrower Facility Agreement that not less than 92.07 per cent. of the Tenancy Agreements relating to the Tenanted Properties are substantially in the form of the relevant standard forms of the Tenancy Agreements reported on by Birketts and Boyle Shaughnessy or notified to the Borrower Security Trustee.

The Certificates of Title address the quality of the title for each relevant property as at the date of the relevant Certificate of Title and were issued by the applicable Reporting Counsel on the basis of their review of the title documents supplied to them and up to date official copy entries obtained from the Land Registry or the Land Register of Scotland, as applicable, in respect of the registered titles.

Except as mentioned above, none of the usual conveyancing searches and enquiries in relation to the purchase of a property were made by any Reporting Counsel, notably local authority, water authority, Environment Agency, Coal Authority and Network Rail searches. These searches would have revealed whether or not roads, pavements, drains and sewers serving the relevant Mortgaged Properties are adopted and maintained at the public expense, whether or not any relevant Mortgaged Properties are subject to a compulsory purchase order or whether or not any statutory notices have been served in respect of any relevant Mortgaged Property (such as in relation to breaches of planning or building regulation control, breach of Public Health Acts or breach of fire regulations) and they would also have highlighted the planning history for a property.

The Reporting Counsel did not check as to the existence or validity of any liquor licences or other trade licences in respect of any of the Mortgaged Properties and did not address the state of repair of the Mortgaged Properties or any planning, regulatory or environmental issues relating thereto. In each case, the Reporting Counsel may not have sufficient professional indemnity insurance to honour in full any claim that might arise in relation to the matters dealt with in the Certificates of Title.

Linklaters LLP ("**Linklaters**") prepared due diligence overview reports in connection with the issue of the Original Notes, the Second Issue Notes and the Third Issue Notes in respect of their review of the Original Certificates of Title and the Tenancy Summaries prepared in connection with the issue of the Original Notes, the Second Issue Notes and Third Issue Notes in order to highlight any material items. Linklaters have, in addition, prepared a further due diligence overview report in connection with the issue of the Fourth Issue Notes in respect of their review of the Further Certificates of Title in respect of the Further Mortgaged Properties and the Substituted Estate located in England and Wales in order to highlight any material items (the "**Linklaters Overview Reports**"). Dundas & Wilson CS LLP prepared a due diligence overview report in connection with the issue of the Third Issue Notes in respect of their review of the Original Certificates of Title and the Tenancy Summaries in respect of the Mortgaged Properties located in Scotland and entering the Securitisation Estate following the Third Closing Date, in order to highlight any material items (the "**D&W Overview Report**"). Shepherd & Wedderburn LLP ("**S&W**") have, in addition, prepared a due diligence overview report in connection with the issue of the Fourth Issue Notes in respect of their review of the Further Certificates of Title in respect of the Further Mortgaged Properties and the Substituted Estate located in Scotland in order to highlight any material items (the "**S&W Overview Report**" and together with the Linklaters Overview Reports and the D&W Overview Report, the "**Overview Reports**"). The Certificates of Title, the Overview Reports and the Spreadsheets are together referred to as the "**Property Due Diligence Reports**".

The Borrowers will provide certain representations and warranties to the Borrower Security Trustee pursuant to the Issuer/Borrower Facility Agreement and the Borrower Deed of Charge in relation to, *inter alia*, documentation and information in relation to the Mortgaged Properties supplied by the GK Group in connection with the preparation of the Property Due Diligence Reports, the nature of the title that the Obligors have to the Mortgaged Properties and the existence of any restrictions or other encumbrances over the Mortgaged Properties.

Issues identified in the Overview Reports

The table below summarises the issues identified as material in the Overview Reports, broken down by number of properties in the Samples affected by each issue and taking into account the Permitted Acquisitions and Permitted Disposals. Since more than one issue may affect a single property, there may be more disclosures enumerated in the table below than there are numbers of properties in the Samples actually affected.

Quality of title:	
● possessory (whole)	1
● possessory (part)	4
● good leasehold	18
Missing deeds	10
Covenants which:	
● prevent the use of the licensed premises or any part as a pub and/or the sale of alcohol	6
● conflict with current use, actually or potentially	6
● are unknown	33
Breaches of obligation or disputes	2
In relation to the leasehold properties:	

●	provisions providing for forfeiture/irritancy on insolvency of the tenant	15
●	provisions providing for forfeiture/irritancy on loss of licence	6
●	“keep open” covenants	13
●	landlord’s consent for assignment/assignation only required	39
●	landlord’s consent for assignment/assignation and charging required	7
●	landlord’s title not investigated	5
●	charging prohibited	1

Leasehold interest in Mortgaged Properties

Fifteen Leasehold Mortgaged Properties contain forfeiture or irritancy provisions pursuant to which the landlord may terminate the lease upon the insolvency of an Obligor, as tenant. In respect of two of these 15 properties (located in England), the forfeiture provisions only affect the car park and for one of these 15 properties, the forfeiture provisions only affect the car park and the vaults and not the actual pub itself. The termination of any such lease by a landlord could deprive the Securitisation Group of any capital value in the relevant leasehold interest as well as the ongoing income from the relevant Mortgaged Property.

Where the interest held in a Mortgaged Property is comprised either wholly or partly under a leasehold title and that Mortgaged Property is damaged or destroyed such that the business cannot be operated from that Mortgaged Property until rebuilding or repair work is undertaken, there is a risk that the landlord may have a right to break where the Mortgaged Property cannot be rebuilt within a certain period. There is also a risk that the Mortgaged Property cannot be rebuilt within a certain specified period and that the tenant may be forced to cease operating its business either because it is unviable to wait for rebuilding or repair and it cannot find alternative premises or because it loses its licence to operate. Such damage or destruction could deprive the Securitisation Group of capital value in the relevant Mortgaged Property as well as ongoing income from the relevant business operations.

Thirteen of the Leasehold Mortgaged Properties, all in England and Wales, have been identified where the leases contain provisions requiring the tenant to keep the property open and trading during specified hours. In general, English courts will not enforce such obligations through an order of specific performance. However, failure to comply with these obligations potentially exposes the tenant company to liability for damages although it would be necessary for the landlord to demonstrate loss.

Title matters

Six of the Mortgaged Properties in the Samples have been identified where title is subject to restrictions preventing the use of either the whole, or a part of the property currently being used as such, for use as a pub and/or the sale of alcohol. A successful claim by a party claiming the benefit of such a restriction may result in the cessation of the current use and frustration of the relevant occupational lease and could limit the Securitisation Group’s ability to dispose of or re-let any such pubs. It may be that the Securitisation Group has not taken out title indemnity insurance in respect of the breach of those restrictions. Thirty-three more are subject to unknown covenants and a further 10 have missing deeds. Greene King has confirmed that it has not received notice of any claims having been made in relation to the breach of any such covenants.

One of the Mortgaged Properties has the benefit of material car parking rights in respect of which a leasehold title or a licence is held on a short-term basis. If the car parking rights are terminated, the Initial Borrower will be required to provide a substitute for the whole of the relevant Mortgaged Property in the manner and on the terms set out in the section entitled *“Substitutions”* below.

One of the Mortgaged Properties is comprised partly of a leasehold title which is over a railway. The landlord (currently Network Rail) has a right to terminate the lease on short notice if it requires the land for its own purposes, for the purpose of redevelopment, or if possession of any part of the premises is urgently required for carrying out repairs which are needed for the proper operation of the landlord’s undertaking. If the lease is terminated by such a notice, the Initial Borrower will be required to provide a substitute for the whole of the relevant Mortgaged Property on the terms set out in the section entitled *“Substitutions”* below.

One freehold Mortgaged Property located in Scotland (but not forming part of the Samples) is subject to an option by the pub tenant to acquire the landlord’s interest at any time for a stated price. The landlord may refuse to accept the option if there has been a change in control of the tenant, if there has been a material breach by the tenant of the terms of the tenant's lease or if the tenant does not enter into a five-year exclusive trading agreement with the landlord. The tenant's option expires on 31 March 2018. Greene King has confirmed that it has not received notice from the tenant wishing to exercise the option. If the option is exercised and accepted by the landlord, the Initial Borrower will be required to provide a substitute for this Further Mortgaged Property on the terms set out in the section entitled *"Substitutions"* below.

The one leasehold Mortgaged Property located in Scotland may be frustrated and the lease will fall away upon damage or destruction of the property by an insured or uninsured risk. If the lease is frustrated in this way, the Initial Borrower will be required to provide a substitute for the relevant Mortgaged Property on the terms set out in the section entitled *"Substitutions"* below.

Registration of mortgages

In respect of the Mortgaged Properties in England and Wales, there is no current intention, on or prior to the Fourth Closing Date, to register at the Land Registry the mortgages granted to the Borrower Security Trustee by members of the Securitisation Group over the Mortgaged Properties. To the extent that mortgages are not registered or recorded but are capable of registration or recording, the mortgages over the Mortgaged Properties in England and Wales take effect in equity only and may be overridden by dispositions (including charges) of the land to third parties for valuable consideration. In addition, equitable and other interests created before the grant of these equitable mortgages could gain priority. The existence of any such prior ranking interests would constitute a Loan Event of Default if the existence thereof would reasonably be expected to have a Material Adverse Effect. Upon the occurrence of a Loan Event of Default which is continuing and which has not been waived, or if the Borrower Security Trustee becomes entitled to require the appointment of an Independent Consultant in accordance with the terms of the Issuer/Borrower Facility Agreement (as to which see the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Appointment of Independent Consultant"*), the Obligors shall, unless the Borrower Security Trustee otherwise agrees, register, or procure the registration of, mortgages over all the Mortgaged Properties in England and Wales, to the extent not already done so.

In respect of the Mortgaged Properties in Scotland, it is intended following the Fourth Closing Date to register at the Land Register of Scotland the standard securities granted to the Borrower Security Trustee by members of the Securitisation Group over the Further Mortgaged Properties and TLT will carry out the relevant applications within prescribed timescales. An equitable mortgage is not recognised under Scottish law and so it is necessary to register the standard security in respect of each Mortgaged Property in Scotland.

Landlords' consents

In respect of 46 of the Leasehold Mortgaged Properties which entered the Securitisation Estate following the First Closing Date, Second Closing Date and Third Closing Date, the relevant landlord's consent was required under the relevant lease to the transfer of the relevant interest to the Initial Borrower and/or the granting of a charge of the legal and beneficial interest in those Leasehold Mortgaged Properties to the Borrower Security Trustee (the "**Consent Leasehold Mortgaged Properties**"). There is no Consent Leasehold Mortgaged Properties comprised within the Further Mortgaged Properties. There is no prohibition on charging in relation to any of the Further Mortgaged Properties.

The Overview Reports confirmed in relation to all but one of the Consent Leasehold Mortgaged Properties that the landlord may not be unreasonable in considering whether to provide its consent. In respect of the Consent Leasehold Mortgaged Properties entering the Securitisation Estate following the First Closing Date, the Second Closing Date and the Third Closing Date, the relevant landlords' consents were obtained to assignment and charge, save for a small number of Consent Leasehold Mortgaged Properties for which a substitution was made pursuant to the section entitled *"Substitutions"* below. One of these Consent Leasehold Mortgaged Properties is affected by an absolute prohibition on charging, as listed in the table above, which relates to a small corner of the property. Greene King has received no notice of breach in this regard.

Pursuant to the terms of the Borrower Security Documents, the Obligors have prior to the Fourth Closing Date granted, or will on the Fourth Closing Date grant, a charge over their beneficial and/or legal interest in each of the Mortgaged Properties in the Securitisation Estate.

In respect of the Consent Leasehold Mortgaged Properties in England and Wales, until such time as landlord's consent to transfer was obtained in respect of a Consent Leasehold Mortgaged Property, the security granted by the Initial Borrower pursuant to the Borrower Deed of Charge was only an equitable charge in respect of the Initial Borrower's beneficial interest in the relevant Mortgaged Property. In respect of the Consent Leasehold Mortgaged Properties in Scotland, until such time as landlord's consent to transfer was obtained, the Initial Borrower occupied the relevant Consent Leasehold Mortgaged Property as licensee only and there was no interest capable of charge. In each case, where the relevant landlord refused or did not provide consent, the Borrower Security Trustee released or discharged the charge over the Initial Borrower's beneficial interest in that relevant Consent Leasehold Mortgaged Property. In such cases, the Initial Borrower substituted for such Consent Leasehold Mortgaged Properties suitable alternative properties which formed part of the Securitisation Estate in exchange for the relevant Consent Leasehold Mortgaged Property. See the section entitled *"Substitutions"* below. See also the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Covenants regarding disposal of Mortgaged Properties and related matters"* below.

The occupation and charge of the Consent Leasehold Mortgaged Properties by the Initial Borrower, without the receipt of the relevant landlord's consent, may constitute a breach of the alienation clause in the relevant leases and could allow the relevant landlord to try to forfeit or irritate the relevant lease or to require the Initial Borrower to vacate the Consent Leasehold Mortgaged Property. Termination of a lease or enforced vacation would, in these circumstances, deprive the Initial Borrower of premises from which to operate the relevant business and pending substitution of an alternative property, this may adversely affect the ability of the Initial Borrower to pay interest and to repay principal under the Issuer/Borrower Facility Agreement, which may adversely affect the ability of the Issuer to pay interest on and repay principal of the Notes.

Substitutions

The terms relating to substitutions were relevant and implemented in relation to Consent Leasehold Mortgaged Properties entering the Securitisation Estate following the First Closing Date, the Second Closing Date and the Third Closing Date. However, substitutions are not relevant in respect of the Further Mortgaged Properties, as none are Consent Leasehold Mortgaged Properties.

Where substitutions were relevant, the Initial Borrower was under an obligation, where it was not possible to obtain landlord's consent in relation to a Consent Leasehold Mortgaged Property, or should there be a requirement to vacate on enforcement by a landlord, to provide a substitute (a "**Substitute Property**") in place of the Consent Leasehold Mortgaged Property for which consent cannot be obtained or which has been vacated (a "**Withdrawn Property**"). The revenue generated by all such Substitute Properties, which will be certified by a director of the Initial Borrower, must be no less than that derived from the Withdrawn Properties. A certificate of title must be produced in respect of the Substitute Property, without exceptions or disclosures which would render the property unacceptable for a purchase and securitisation in the context of the Securitisation Estate as a whole, and the Substitute Property must be either freehold, heritable or long leasehold without forfeiture or irritancy on insolvency or a requirement for landlord's consent to assignment or charging.

The Substitute Property is required to be identified within two months of its requirement becoming apparent and the substitution is required to take place within five Business Days of when the requirements for a substitution are all met. It is anticipated that in practice substitutions would usually be expected to be completed within approximately three months of the requirement becoming apparent, but delays could be possible, for example should the process need to recommence on the grounds of the Substitute Property offered not being acceptable. It is possible that this procedure could result in there being a period, which could exceed three months, between vacation of a Withdrawn Property and occupation of a Substitute Property, during which the Initial Borrower will not be in a position to achieve any earnings from either of them. As mentioned above, this may adversely affect the ability of the Initial Borrower to pay interest and to repay principal under the Issuer/Borrower Facility Agreement, which may adversely affect the ability of the Issuer to pay interest on and principal of the Notes.

Disability discrimination legislation

For the purposes of the Certificates of Title, Greene King has disclosed that it has undertaken audits across the majority of its estate of which the Mortgaged Properties form part, to assess potential liability under the Disability Discrimination Act 1995 to carry out works to the Mortgaged Properties. In most cases, the audit has identified works which could be carried out which would put beyond doubt the question of compliance with that legislation, but it is not clear whether there has been any breach. Greene King has not been notified of any actual or intended enforcement process in relation to that legislation.

Fire legislation

The requirement to prepare a fire certificate was removed by the Regulatory Reform (Fire Safety) Order 2005 and replaced by a system of fire risk assessments. For the purposes of the Certificates of Title, Greene King has disclosed that it has established a process to comply with the statutory requirements and as far as it is aware it has complied with that legislation and has not received notice of any breach.

Compulsory purchase

Any property in the United Kingdom may at any time be acquired by a local authority or government department generally, in connection with proposed redevelopment or infrastructure projects.

In the event of a compulsory purchase order being made in respect of a Mortgaged Property, compensation would be payable on the basis of the open market value of all owners' and tenants' proprietary interests in that Mortgaged Property at the time of the related purchase. In the case of an acquisition of the whole of that Mortgaged Property, the relevant freehold, heritable or long leasehold estate and any lease would both be acquired and the Initial Borrower would cease to be able to operate the relevant business from the premises. The risk to Noteholders is that the amount received from the proceeds of purchase of the relevant freehold, heritable or long leasehold estate may be inadequate to cover the loss of cashflow from such Mortgaged Property and thus the Initial Borrower's ability to meet its obligations under the Issuer/Borrower Facility Agreement may be prejudiced. This may in turn adversely affect the ability of the Issuer to pay interest on and principal of the Notes.

There may be a delay between the compulsory purchase of a property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value. Should such a delay occur in the case of any Mortgaged Property, then unless the Initial Borrower has other funds available to it, this delay may prejudice its ability to meet its obligations under the Issuer/Borrower Facility Agreement.

One of the Mortgaged Properties is subject to a compulsory purchase application notice which could potentially affect access to it. If access is prevented due to compulsory purchase, and no alternative access provided, the Initial Borrower may be required to provide a substitute for the whole of the relevant Mortgaged Property on the terms set out in the section entitled *"Substitutions"* above.

Further, certain local community groups or parish councils in England can nominate certain types of land or buildings (including pubs) to be "assets of community value". If any of the Securitisation Group's pubs is listed as an asset of community value, the Securitisation Group will have to notify the local authority prior to disposing of such pub. If within six weeks from the date on which the local authority receives notification of the proposed disposal, a community interest group serves notice that it wishes to bid for the pub, the proposed sale would be subject to a six-month moratorium (with only a sale to the community interest group allowed during that period). The restriction on disposal is subject to exemptions for certain types of disposals, for example where the disposal is of an estate in land on which a business is carried on and is at the same time, and to the same person, a disposal of that business as a going concern; or where the disposal is in exercise of a power of sale of the land by a person who has that power by way of security for a debt. An owner or former owner of land which is or was listed as an asset of community value may be able to claim compensation from the local authority for loss or expense that would not have been incurred had the land not been listed.

Any delay in the Securitisation Group's receipt of funds from a compulsory sale or in the Securitisation Group's planned disposal of a pub designated as an asset of community value could affect the Securitisation Group's business, financial condition and results of operations.

Environmental considerations

Environmental legislation places liability for clean-up costs on the owner or occupier of contaminated land where no person can be found who has caused or knowingly permitted the presence of the substances which have led to the pollution, as reflected in the contaminated land provisions which the Environment Act 1995 added to the Environmental Protection Act 1990 (the "**1990 Act**") and which came into force with retrospective effect from April 2000, the waste provisions in the 1990 Act and the water pollution provisions in the Water Resources Act 1991. The term "**owner**" means a person (other than a mortgagee not in possession) who, whether in his own right or as trustee for any other person, is entitled to receive the rack rent from the land, or where the land is not let at a rack rent, would be so entitled if it were so let. Thus, if land falls within the title to any of the Mortgaged Properties and the freehold or heritable interest (or in the case of long leaseholds for a rent which is less than rack rent, such long leasehold title) is contaminated, then where the person who caused or knowingly permitted such contamination to occur cannot be found, the Securitisation Group might be liable for the costs of cleaning up such contamination.

Other environmental legislation concerning statutory nuisance also places liability on the owner or occupier in some circumstances instead of the person responsible for the nuisance. In the relevant legislation, the concept of "owner" has not been defined and could include any person with a proprietary interest in the property. The owner or occupier would be responsible where the person responsible for such nuisance cannot be found or the nuisance has not yet occurred. The owner would be responsible where the nuisance arises from any defect of a structural nature.

Liability for any of these environmental risks might result in the Securitisation Group having insufficient funds available to it to repay in full all amounts due under the Issuer/Borrower Facility Agreement. There is a further risk that liability could also force the suspension of business operations at a relevant Mortgaged Property which in turn could deprive the Securitisation Group of ongoing income from the relevant business operations.

If the Borrower Security Trustee were to take possession (which it is not required to do unless indemnified to its satisfaction) of any one or more of the Mortgaged Properties following enforcement of the relevant security, and following possession contamination or other environmental liability of the type described above were incurred in respect of any such Mortgaged Property, then the Borrower Security Trustee might be liable for such costs (see also the investment consideration entitled *"Mortgagee in possession liability"* above) and such costs are likely to be covered by the indemnity in favour of the Borrower Security Trustee in the Borrower Deed of Charge. This may lead to the Issuer having insufficient funds available to pay all amounts due to the Noteholders and the Noteholders might suffer a loss as a result.

The risk of a Material Adverse Effect resulting from liability pursuant to the environmental legislation referred to above is mitigated by the representations and warranties given pursuant to the Issuer/Borrower Facility Agreement on the First Closing Date (which were repeated on the Second Closing Date and on the Third Closing Date and which will be repeated on the Fourth Closing Date) (see the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Representations and Warranties"* below). These include a statement by the Initial Borrower that it is in compliance with all environmental laws in all material respects and that there are no circumstances known to it that are likely to give rise, as at the relevant date, to any liability under any environmental law which liability would reasonably be expected to have a Material Adverse Effect. The risk that breach of the environmental legislation referred to above could have a Material Adverse Effect on the operations and financial performance of the Securitisation Group is also mitigated by the fact that any breach with respect to one Mortgaged Property is less likely to have a material impact on the portfolio as a whole given the relatively large number of individual Mortgaged Properties in the Securitisation Estate.

Owners and occupiers may also have liabilities at common law.

Owning and leasing property carries potential health and safety risks and liabilities

A health and safety accident or incident at a property owned or leased by the Securitisation Group could lead to serious injury or even loss of life of the Securitisation Group's tenants, employees or customers, and significantly affect the GK Group's reputation, which could adversely affect the Securitisation Group's operating results, financial condition and prospects. See also the risk factors entitled *"Health and Safety Offences, Corporate Manslaughter and Food Safety and Hygiene Offences Definitive Guideline"* and *"Business Regulation"*.

Valuation

The Issuer, the Initial Borrower, the Securitsation Group Parent, the Arranger, the Joint Lead Managers, the Borrower Security Trustee and the Issuer Security Trustee have received the benefit of the valuation report from the Valuer, dated 24 May 2016 in relation to the valuation of the Mortgaged Properties addressed to the Issuer, the Initial Borrower, the Arranger, the Joint Lead Managers, the Issuer Security Trustee and the Borrower Security Trustee (the "**Valuation Report**"). The Valuation Report is reproduced in its entirety below (see the section entitled *"Valuation Report on the Securitisation Estate"* below). In the view of the Valuer and subject to the assumptions and qualifications set out in the Valuation Report, the Securitisation Estate had as at 1 April 2016 an aggregated open market value (calculated on an existing use basis) of £2,177,992,000. An assumption has been made by the valuers that the Obligors have good and marketable title to the Securitisation Estate. The Valuer has not reviewed the Property Due Diligence Reports in considering its valuation of the Securitisation Estate.

The valuation figure shown as the market value of the Securitisation Estate set out in the Valuation Report will not necessarily be consistent with the figures contained in the Initial Borrower's historical financial information. This may be because, among other reasons, the portfolio of pubs valued in connection with the Valuation Report is that which will constitute the Securitisation Estate as at 26 May 2016 rather than the date of the publication of the Initial Borrower's historical financial information.

The full list of assumptions relating to the Valuation Report are set out in section 4.4 of the Valuation Report.

A valuation is only an estimate of value and should not be relied upon as a measure of realisable value. Moreover, a valuation seeks to establish the amount a typically motivated buyer would pay a typically motivated seller. Such amount could be significantly higher than the amount obtained from the sale of any of the Mortgaged Properties in a distress or liquidation sale. As the market value of a Mortgaged Property may change, there is no assurance that the aggregate market value of the Mortgaged Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the Issuer/Borrower Facility Agreement and/or the Issuer/Borrower Swap Agreement. If a Mortgaged Property is sold following the delivery of a Loan Enforcement Notice, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Issuer/Borrower Facility Agreement and/or the Issuer/Borrower Swap Agreement which, in turn, would adversely affect the ability of the Issuer to meet its obligations to pay interest on and the principal of the Notes.

None of the Issuer, the Other Parties, any other member of the GK Group, the Arranger, the Joint Lead Managers, the Issuer Security Trustee, the Borrower Security Trustee or the Note Trustee have made any independent investigation of any of the matters stated in the reports and (other than the Issuer) will not and should not be held responsible therefor.

Frustration

A lease could, in exceptional circumstances, be frustrated under English law. Frustration may occur where a supervening event so radically alters the implications of the continuance of a lease for a party thereto that it would be inequitable for such lease to continue.

Legal, Tax and Regulatory Considerations

Insolvency considerations

Receivership

At any time after the Borrower Security has become enforceable, the Borrower Security Trustee may, or in certain circumstances can be required to, pursue a number of different remedies (provided that it is indemnified to its satisfaction). One such remedy is the appointment of a receiver over specific property or over all, or part, of the Mortgaged Properties. Likewise, at any time after the Issuer Security has become enforceable, the Issuer Security Trustee may, or in certain circumstances can be required to, pursue a number of different remedies (provided that it is indemnified to its satisfaction). One such remedy is the appointment of a receiver of all or part of the assets and undertaking of the Issuer.

It should be noted that the authority for a receiver of an English company exercising his powers in Scotland applies only to a charge created as a floating charge and there is no similar authority for the exercise by a receiver of an English company of the powers in relation to a charge created as a fixed charge (such as the Standard Securities).

The provisions of the Enterprise Act 2002 (the "**Enterprise Act**") amending the corporate insolvency provisions of the Insolvency Act 1986 (the "**Insolvency Act**") came into force on 15 September 2003, and are discussed in further detail in the investment consideration entitled *"Enterprise Act"* below.

As a result of the amendments made to the Insolvency Act by the Enterprise Act, the holder of a qualifying floating charge created on or after 15 September 2003 will be prohibited from appointing an administrative receiver (and will consequently be unable to prevent an Obligor or the Issuer entering into administration), unless the floating charge falls within one of the exceptions set out in sections 72A to 72GA of the Insolvency Act (the "**exceptions**"). As the Borrower Security Documents and the Issuer Deed of Charge were entered into after 15 September 2003, neither the Borrower Security Trustee nor the Issuer Security Trustee will, therefore, be entitled to appoint an administrative receiver over the assets of any Obligor or the Issuer unless the floating charges in such documents fall within the exceptions.

One such exception (the "**capital market exception**") is in respect of, in certain circumstances, the appointment of an administrative receiver pursuant to an agreement which is or forms part of a "capital market arrangement" (which is broadly defined in the Insolvency Act). This exception will apply if a party incurs or, when the agreement in question was entered into was expected to incur, a debt of at least £50 million under the arrangement and if the arrangement involves the issue of a capital market investment (also defined but, generally, a rated, traded or listed debt instrument). Although there is no case law on how this exception will be interpreted, based on advice from counsel, the Issuer considers that the exception will apply to the floating charges described in this Prospectus. However, the Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be made that any such modification or provisions in respect of the capital market exception will not be detrimental to the interests of the Noteholders.

A receiver would generally be in this case the agent of the relevant company until the company's liquidation, and thus, whilst acting within his powers, will enter into agreements and take actions in the name of, and on behalf of, the company. The receiver will be personally liable on any contract entered into by him in carrying out his functions (except in so far as the contract provides otherwise) but will have an indemnity out of the assets of the company. If, however, the receiver's appointor unduly directed or interfered with or influenced the receiver's actions, a court may decide that the receiver was the agent of his appointor and that his appointor should be responsible for the receiver's acts and omissions.

The Borrower Security Trustee and the Issuer Security Trustee are entitled to receive remuneration and reimbursement for their respective expenses and an indemnity out of the assets of the relevant Obligor and the Issuer for their potential liabilities. Such payments to the Borrower Security Trustee will rank ahead of the interest and principal due under the Issuer/Borrower Facility Agreement (and, in turn, payments by the Issuer under the Notes). Such payments to the Issuer Security Trustee will rank ahead of payments by the Issuer under the Notes. Accordingly, should the Borrower Security Trustee or the Issuer Security Trustee become liable for acts of such a receiver, the amount that would otherwise be available for payment to the Noteholders may be reduced.

If the company to which the receiver is appointed goes into liquidation, then as noted above the receiver will cease to be that company's agent. At such time, he will then act either as agent of his appointor or as principal according to the facts existing at that time. If he acts as agent of his appointor, then for the reasons set out in the foregoing paragraph, the amount that would otherwise be available for payment to Noteholders may be reduced. If the receiver acts as principal and incurs a personal liability, he will have a right of indemnity out of the assets in his hands in respect of that liability and the amount that would otherwise have been available for payment to the Noteholders (subject to any claims of the Issuer Security Trustee or Borrower Security Trustee to such amount) would be reduced accordingly.

Small companies moratorium

Certain "small companies", for the purposes of putting together proposals for a company voluntary arrangement, may seek court protection from their creditors by way of a "moratorium" for a period of up to 28 days, with the option for creditors to extend this protection for up to a further two months (although the Secretary of State for Trade and Industry may, by order, extend or reduce the duration of either period).

A "**small company**" is defined for these purposes by reference to whether the company meets certain tests relating to a company's balance sheet, total turnover and average number of employees in a particular period (although the Secretary of State for Business, Innovation and Skills may, by order, modify the moratorium eligibility qualifications and the definition of "small company").

During the period for which a moratorium is in force in relation to a company, amongst other things, no winding-up may be commenced or administrator or administrative receiver appointed to that company, no security created by that company over its property may be enforced (except with the leave of the Court), no other proceedings or legal process may be commenced or continued in relation to that company (except with the leave of the Court) and the company's ability to make payments in respect of debts and liabilities existing at the date of the filing for the moratorium is curtailed. In addition, if the holder of security (the "**chargee**") created by that company consents or if the Court gives leave, the company may dispose of the secured property as if it were not subject to the security. Where the property in question is subject to a security which was created as a floating charge, the chargee will have the same priority in respect of any property of the company directly or indirectly representing the property disposed of as he would have had in respect of the property subject to the security. Where the security in question is other than a floating charge, it shall be a condition of the chargee's consent or the leave of the Court that the net proceeds of the disposal shall be applied towards discharging the sums secured by the security.

Certain small companies may, however, be excluded from being eligible for a moratorium (although the Secretary of State may, by regulations, modify such exclusions), including those which, at the time of filing for the moratorium, are party to a capital market arrangement under which a party incurs or, when the agreement in question was entered into was expected to incur, a debt of at least £10 million under the arrangement and which involves the issue of a capital market investment. The definitions of "**capital market arrangement**" and "**capital market investment**" are broadly equivalent to those used in the exception to the prohibition on appointment of an administrative receiver and, similarly, the Issuer considers that the exclusion will apply both in respect of the Issuer and the Borrower in the context of the transactions described in this Prospectus. There is also an exclusion from being eligible for a moratorium for companies that have incurred a liability (including a future contingent liability) of at least £10 million and therefore the Issuer considers that this exclusion would also apply in respect of the Issuer, the Initial Borrower and the other Obligors in the context of the transactions described in this Prospectus.

Enterprise Act

As explained above, the provisions of the Enterprise Act amending the corporate insolvency provisions of the Insolvency Act came into force on 15 September 2003. In addition to the introduction of a prohibition on the appointment of an administrative receiver, the amendments included (a) the ring-fencing in insolvency proceedings in respect of a company, of a certain percentage of the realisations from assets secured by a charge which is a floating charge on its creation and which realisation would be available for satisfaction of the claims of that chargeholder, such ring-fenced amounts to be used to satisfy unsecured debts; (b) the abolition of the categories of preferential debt payable to the crown, including debts due to the Inland Revenue in respect of PAYE, debts due to H.M. Revenue & Customs in respect of VAT and social security contributions; and (c) the replacement of the existing administration regime in its entirety with a new, streamlined administration procedure.

By virtue of the relevant prescribing order, the ring-fencing of a percentage of certain floating charge realisations for the benefit of unsecured creditors applies to floating charges which are created on or after 15 September 2003. The amount available for unsecured creditors will depend upon the value of the Obligor's "**net property**", being the amount of the Obligor's property which would otherwise be available for satisfaction of debts due to the holder(s) of any debentures secured by security which as created was a floating charge. The prescribing order provides for 50 per cent. of the net property under £10,000 and 20 per cent. of net property over £10,000 to be made available for the satisfaction of the Obligor's unsecured debts, subject to an overall cap on the ring-fenced fund of £600,000.

Accordingly, as the floating charges granted under the Borrower Security Documents and the Issuer Deed of Charge will be created after 15 September 2003, floating charge realisations upon the enforcement of the Borrower Security and/or the Issuer Security, respectively, will be reduced by the operation of the ring-fencing provisions.

Liquidation expenses

Prior to the House of Lords decision in the case of *Re Leyland Daf* in 2004, the general position was that in a liquidation of a company, the liquidation expenses ranked ahead of unsecured debts and floating chargees' claims. *Re Leyland Daf* reversed this position so that liquidation expenses could no longer be recouped out of assets subject to a floating charge. The Companies Act 2006 (inserting section 176ZA of the Insolvency Act) broadly restores the pre-Leyland Daf position, subject to rules restricting the application of this to certain litigation expenses approved by the floating chargee or the court. Section 176ZA of the Insolvency Act came into force on 6 April 2008.

Consequently, floating charge realisations upon the enforcement of the security created pursuant to the Borrower Deed of Charge and/or the Issuer Security, respectively, would potentially be reduced by the amount of any liquidation expenses. To the extent that the security created pursuant to the Borrower Deed of Charge and/or the Issuer Security constitutes valid fixed security, any claims of creditors holding such fixed security would rank ahead of any such liquidation expenses.

Recharacterisation of fixed security interests

There is a possibility that a Court could find that the fixed security interests expressed to be created by the security documents governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative.

Where the Obligor is free to deal with the secured assets without the consent of the chargee, the Court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge. In particular, it should be noted that the Initial Borrower is, in order to carry out effective estate management, permitted to agree to amendments, waivers and consents to, and under, the provisions of any occupational lease entered into between any Obligor and the operator of a pub (which shall include, for the avoidance of doubt, a tenancy at will) in respect of a Mortgaged Property (each a "**Lease Agreement**"), including in respect of the payment of rents. Rents receivable under the Lease Agreements will also be paid into accounts of the Initial Borrower over which, prior to service of a Loan Enforcement Notice, the Borrower Security Trustee will not exercise control.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, among other things, on whether the Borrower Security Trustee or, as the case may be, the Issuer Security Trustee has the requisite degree of control over the Obligors' ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Borrower Security Trustee or, as the case may be, the Issuer Security Trustee in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors of the relevant Obligor or, as the case may be, the Issuer in respect of that part of the Obligor's or, as the case may be, the Issuer's net property which is ring-fenced as a result of the Enterprise Act (see the investment consideration entitled *"Enterprise Act"* above); and (ii) certain statutorily defined preferential creditors of the relevant Obligor or, as the case may be, the Issuer, may have priority over the rights of the Borrower Security Trustee or the Issuer Security Trustee, as the case may be, to the proceeds of enforcement of such security. In addition, the expenses of a liquidation or administration would also rank ahead of the claims of the Borrower Security Trustee or the Issuer Security Trustee as floating charge holder.

A receiver appointed by the Borrower Security Trustee or the Issuer Security Trustee would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Borrower Secured Creditors and the Issuer Secured Creditors (including the Noteholders), respectively. Following the coming into force of the Banks and Building Societies (Depositor Preference and Priorities) Order 2014 on 1 January 2015, the two categories of preferential debts are (i) ordinary preferential debts, which include certain amounts payable in respect of occupational pension schemes, employee remuneration, levies on coal and steel production and deposits up to a fixed limit that are eligible for compensation under the Financial Services Compensation

Scheme and (ii) secondary preferential debts which include two types of deposits placed by a customer with a bank or building society.

If the Borrower Security Trustee or the Issuer Security Trustee were prohibited from appointing an administrative receiver by virtue of the amendments made to the Insolvency Act by the Enterprise Act, or failed to exercise its right to appoint an administrative receiver within the relevant notice period and the Obligor or, as the case may be, the Issuer were to go into administration, the expenses of the administration would rank ahead of the claims of the Borrower Security Trustee or Issuer Security Trustee as floating charge holder. Furthermore, in such circumstances, the administrator would be free to dispose of floating charge assets without the leave of the court, although the Borrower Security Trustee or Issuer Security Trustee (as the case may be) would have the same priority in respect of the property of the company representing the proceeds of disposal of such floating charge assets, as it would have had in respect of such floating charge assets.

Section 245 of the Insolvency Act provides that, in certain circumstances, a floating charge granted by a company may be invalid in whole or in part. If a floating charge is held to be wholly invalid, then it will not be possible to appoint an administrative receiver of such company and, therefore, it will not be possible to prevent the appointment of an administrator of such company. Section 245 of the Insolvency Act provides that, if a liquidator or administrator is appointed to the relevant Obligor within a period of two years (the "**relevant time**") commencing upon the date on which that Obligor grants a floating charge, then that floating charge will only be valid to the extent of certain types of consideration received by that Obligor for the creation of the charge. Each of the Obligors has received such consideration (namely, the Initial Borrower has drawn under the Issuer/Borrower Facility Agreement and the Securitisation Group Parent has received a fee from the Initial Borrower in consideration for the creation of the floating charge by the Securitisation Group Parent). During the relevant time, the floating charge granted by the Initial Borrower will be valid to the extent of the amount drawn by the Initial Borrower under the Issuer/Borrower Facility Agreement and the floating charge granted by the Securitisation Group Parent and the other Obligors will be valid to the extent of the fee paid to the Securitisation Group Parent and the other Obligors. However, such limitation on the validity of the floating charges will not of itself affect the ability of the Borrower Security Trustee or the Issuer Security Trustee to appoint an administrative receiver to the Securitisation Group Parent. After the relevant time it will not be possible for the floating charges granted by each of the Initial Borrower, the Securitisation Group Parent and the other Obligors to be invalidated under Section 245 of the Insolvency Act.

Taxation

United Kingdom taxation position of the Initial Borrower

Under current UK taxation law and practice, payments of principal to be made by the Initial Borrower under the Issuer/Borrower Facility Agreement are not deductible for tax purposes. Unless the Initial Borrower disposes of a capital asset, and applies the proceeds thereof (net of any tax payable as a result of the disposal) to make repayments of principal under the Issuer/Borrower Facility Agreement, it is necessary for the Initial Borrower to fund such repayments of principal out of taxed income from the general operations of the Securitisation Group. It is envisaged that the Initial Borrower will fund the repayment of principal out of such post-tax income and the management of the Initial Borrower believes that, on a conservative basis, the Initial Borrower will have sufficient post-tax income to enable full and timely repayments of principal and interest due under the Issuer/Borrower Facility Agreement, but there can be no assurance of this. There can be no assurance that taxation law and practice will not change in a manner (including, for example, a rise in the rate of corporation tax), which would adversely affect the amount of post-tax income of the Initial Borrower and therefore affect the Initial Borrower's ability to repay amounts of principal under the Issuer/Borrower Facility Agreement.

Further, under transfer pricing and thin capitalisation rules applying to UK transactions, the Initial Borrower's entitlement to tax relief in respect of interest payable may be subject to adjustment. In particular, if the transactions that would have been entered into as between independent enterprises differ from the actual transactions entered into between connected persons (such as for example the lending of money to connected persons or the provision of financial guarantees (as widely defined for relevant tax purposes) to connected persons) so that less (or no) interest would have been payable by a borrower had the arm's length transactions been entered into, for instance because it would not have been able to borrow as much, the deductions for such interest would be by reference to the arm's length interest. Such adjustments may be relevant to the Initial Borrower's deductions in particular in respect of interest payable under the Initial Borrower Subordinated Loan Agreement.

In certain circumstances, the transfer pricing rules allow the other party to the provision to elect to undertake sole responsibility for any tax liability of the Initial Borrower which would result from such an adjustment. These provisions apply provided that the actual transaction forms part of a capital markets arrangement. Greene King made such an election in relation to the first drawdown under the Initial Borrower Subordinated Loan Agreement at the time of issue of the Original Notes and in respect of the second drawdown of funds made at the time of the issue of the Second Issue Notes under the Initial Borrower Subordinated Loan Agreement. Accordingly, the Initial Borrower should be in no worse a position as regards having sufficient income after tax to pay principal and interest under the Issuer/Borrower Facility Agreement if an adjustment is made to restrict the Initial Borrower's entitlement to tax relief in respect of interest payable under the Initial Borrower Subordinated Loan Agreement than if no such adjustment were made.

If the Issuer does not receive all amounts of principal due from the Initial Borrower under the Issuer/Borrower Facility Agreement, it may not have sufficient funds to enable it to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or *pari passu* with, the Notes.

Secondary and contingent taxation liabilities of the members of the Tax Indemnified Group and the Issuer

Where a company fails to discharge certain taxes due and payable by it within a specified time period, UK tax law imposes in certain circumstances (including where that company has been sold so that it becomes controlled by another person) a secondary liability for those overdue taxes on other companies which are or have been members of the same group of companies for tax purposes or are or have been under common control with the company that has not discharged its primary liability to pay that tax. Greene King, GKB&R, Spirit Pub Company Limited and each member of the Securitisation Group (the members of the Securitisation Group being the "**Tax Indemnified Group**") covenants in the Tax Deed of Covenant not to do anything (and to procure that nothing is done) which would result in such a secondary liability (including a liability to VAT) arising in relation to any member of the Securitisation Group or the Issuer or the Issuer Parent with the aim of minimising the likelihood of such liabilities or any joint and several VAT liability affecting such persons.

UK Corporation Tax on Chargeable Gains, and Stamp Duty Land Tax and Land and Buildings Transaction Tax

Some members of the Tax Indemnified Group have acquired, and the Initial Borrower will also on the Fourth Closing Date acquire, certain capital assets (each a "**relevant asset**") from other companies which were or will be members of the same group for capital gains, stamp duty land tax and land and buildings transaction tax purposes at the time of the acquisition. Consequently, members of the Tax Indemnified Group may have a contingent liability for UK corporation tax on chargeable gains and stamp duty land tax and/or land and building transaction tax.

The contingent liability for UK corporation tax on chargeable gains will crystallise if, broadly, the relevant transferee ceases to be a member of the capital gains group of which Greene King is the "principal company" within six years of the date on which it acquired a relevant asset either (i) still holding that asset or (ii) having disposed of such asset to, broadly, a group company leaving the group at the same time (an "**associated company**") and which holds the asset at that time, unless in both cases the acquisition was itself from an associated company. Accordingly, a degrouping of certain members of the Tax Indemnified Group could trigger these contingent liabilities. In general terms, the base costs for chargeable gains purposes in the Securitisation Estate are lower than the market value of the Securitisation Estate as at the date of the relevant transfers, thereby resulting in contingent liabilities. However, where such contingent liabilities are triggered by the disposal of a group company (including by way of a sale of the shares in the Securitisation Group Parent), the contingent liability will crystallise in the selling company. In relation to the assets transferred on the First Closing Date, Second Closing Date and Third Closing Date, the six-year period in which the contingent liability to capital gains tax could be crystallised has now expired.

The contingent liability to stamp duty land tax and land and buildings transactions tax will crystallise in the Tax Indemnified Group if the relevant transferee ceases to be a member of the same stamp duty land tax and land and buildings transactions tax group (as applicable) as the relevant transferor (or, in certain circumstances, where the transferor leaves the group and there is a subsequent change of control of the transferee) either within three years of the date on which it acquired a relevant asset which is, broadly, land or an interest in land or pursuant to, or in connection with, arrangements made before the end of that period. No liability will arise, however, unless the transferee or a "relevant associated company" (as defined for stamp duty land tax and land and buildings transaction tax purposes) holds such asset at the time. In relation to the assets transferred on the First Closing Date, Second Closing Date and Third Closing Date, the three-year period in which the contingent liability to stamp duty land tax could be crystallised has now expired (and, on the basis that land and buildings transaction tax came into force in relation to Scottish land transactions with an effective date on or after 1 April 2015, no contingent liability to land and buildings transactions tax ever arose in respect of those transfers).

If any such contingent tax liabilities as are mentioned above were to crystallise in the Tax Indemnified Group, the Initial Borrower may have a primary or secondary liability to tax, discharge of which could adversely affect the amount of post-tax income of that company and, potentially, affect the Initial Borrower's ability to pay amounts of principal under the Issuer/Borrower Facility Agreement. Greene King, GKB&R, Spirit Pub Company Limited and the members of the Tax Indemnified Group (including the Securitisation Group Parent and the Initial Borrower) each give a covenant in the Tax Deed of Covenant not to do anything which might reasonably be expected to result in the crystallisation of such contingent liabilities (as well as certain other covenants intended to prevent such contingent liabilities from arising) and Greene King and GKB&R have additionally agreed to pay to the relevant member of the Tax Indemnified Group an amount equal to the amount of such liability were it to arise. As discussed above, where a contingent tax charge is triggered in relation to a chargeable gain as a result of the sale of a group company, such charge will crystallise in the selling company, this should mitigate the risk of such contingent tax liabilities in the Securitisation Group on a sale of the Securitisation Group Parent (including on enforcement of the security). In any event, the risk of degrouping as a result of Greene King disposing of the Securitisation Group Parent is mitigated by the fact that Greene King has granted on the First Closing Date an equitable mortgage over its shareholding in the Securitisation Group Parent and first fixed charge over its rights under the Initial Borrower Subordinated Loan Agreement as security for certain of its undertakings under the Tax Deed of Covenant. The equitable share mortgage contains a prohibition on Greene King disposing of its interest in the shares of the Securitisation Group Parent.

As a result of the expiry of the period during which contingent capital gains tax and stamp duty land tax liabilities in respect of assets transferred on the First Closing Date, Second Closing Date and Third Closing Date, and the relatively high level of base cost in the assets to be transferred on the Fourth Closing Date, the contingent tax liabilities as at the Fourth Closing Date is expected to be substantially lower than at the Third Closing Date.

It is possible that further asset transfers may take place within the GK Group in the future, including between the Initial Borrower and companies outside the Tax Indemnified Group. No tax on chargeable gains, stamp duty land tax and land and buildings transaction tax should arise on such intra-group transfers, but a subsequent degrouping of the transferee (or group company) could in certain circumstances (as outlined above) give rise to a charge to tax in the transferee or the transferor. The Tax Deed of Covenant includes provisions to ensure that the Tax Indemnified Group members are appropriately protected in respect of such liabilities.

The directors of the Issuer consider that on the basis that contingent tax liabilities in relation to chargeable gains on the transfer of a group company (including the Securitisation Group Parent) will crystallise in the transferor and taking account of the security arrangements referred to above, such covenants and security provide adequate protection for Noteholders in relation to the potential tax charges referred to above.

The disposal of certain capital assets, including properties in the Securitisation Estate and interests in the share capital of other members of the Tax Indemnified Group, by members of the Tax Indemnified Group to third parties may give rise to a liability for UK corporation tax on chargeable gains. Should any such tax liability arise as a result of a disposal following enforcement of security, that tax liability could, indirectly, adversely affect the ability of the Issuer to meet its obligations under the Notes.

Certain members of the GK Group have "rolled over" or may, subject to the making of the relevant claim and to the terms of the Tax Deed of Covenant, "roll over" chargeable gains arising on disposal of properties by members of the GK Group into properties owned by members of the Tax Indemnified Group and which are held within the Securitisation Estate. This has the effect of reducing, for tax purposes, the base cost in such properties, and therefore potentially increasing any gain that may occur on the disposal of such property. Where such roll-over is in respect of a gain accruing to a company which is not a member of the Tax Indemnified Group, such roll-over will only be permitted on payment to the member of the Tax Indemnified Group into whose asset or assets the gain has been rolled over of an amount equal to the chargeable gain rolled over multiplied by the applicable rate of corporation tax plus an additional amount equal to the tax on the total consideration (although the Borrower Security Trustee may agree a lower amount of consideration). The members of the Tax

Indemnified Group benefit from a similar ability to roll over gains into assets of companies that are not members of the Tax Indemnified Group.

These factors, including the latent gains in the Securitisation Estate mentioned above, may mean that, should any tax liability arise on enforcement of security as described above, the ability of the Issuer to repay the Notes could be adversely affected to a greater extent than if there were a higher base cost in the Securitisation Estate or if such roll overs had not occurred.

Withholding tax in respect of the Notes and the Interest Rate Swap Agreements

In the event that any withholding or deduction for or on account of tax is required to be made from payments due under the Fourth Issue Notes (as to which see the section entitled *"United Kingdom Taxation"* below) or any other Notes, neither the Issuer nor any Paying Agent nor any other person will be obliged to pay any additional amounts to Noteholders or, if Definitive Notes are issued, Couponholders or to otherwise compensate Noteholders or Couponholders for the reduction in the amounts they will receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made, the Issuer will have the option (but not the obligation unless the Initial Borrower has exercised its right to prepay the Term Advances in such circumstances) of redeeming all outstanding Notes in full at their Principal Amount Outstanding (together with accrued interest). For the avoidance of doubt, neither the Note Trustee nor Noteholders nor, if Definitive Notes are issued, Couponholders, will have the right to require the Issuer to redeem the Notes in these circumstances.

On the basis of advice received, the directors of the Issuer expect that all payments to be made under the Interest Rate Swap Agreements can be made without withholding or deduction for or on account of any tax. In the event that any such withholding or deduction is required to be made from any payment due under any Interest Rate Swap Agreement (whether that payment is to be made by the Issuer or by a Swap Counterparty), the amount to be paid will be increased to the extent necessary to ensure that, after any such withholding or deduction has been made, the amount received by the party to which that payment is being made is equal to the amount that that party would have received had such withholding or deduction not been required to be made.

If the Issuer or a Swap Counterparty is obliged to pay such an increased amount as a result of its being obliged to make such a withholding or deduction, it may terminate the transactions under the relevant Interest Rate Swap Agreement (subject to such Swap Counterparty's obligation to use its reasonable endeavours to transfer its rights and obligations under the relevant Interest Rate Swap Agreement to a third party swap provider such that payments made by and to that third party swap provider under an Interest Rate Swap Agreement can be made without any withholding or deduction for or on account of tax and, in a case where the Issuer wishes to exercise its right to terminate the transactions under an Interest Rate Swap Agreement, subject to the Ratings Test being satisfied notwithstanding such termination). If a transaction under an Interest Rate Swap Agreement is terminated, the Issuer may be unable to meet its obligations under the Notes, with the result that the Noteholders may not receive all of the payments of principal and interest due to them in respect of the Notes.

If the Issuer is obliged to pay an increased amount as a result of its being obliged to make such a withholding or deduction (for instance because the Ratings Test would not be satisfied following termination by the Issuer of the transactions under an Interest Rate Swap Agreement), this will be initially funded by the Issuer by way of a drawing under the Liquidity Facilities. However, the Initial Borrower will then be obliged to pay to the Issuer by way of Ongoing Facility Fee an amount equal to the amount by which the sum to be paid by the Issuer to a Swap Counterparty is increased. In such circumstances, the Initial Borrower will have the option (but not the obligation) to prepay in full the outstanding Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Second Term B2 Advance and, on and following the Class B1 Step-Up Date, the Initial Term B1 Advance. If the Initial Borrower chooses to prepay the relevant Term Advances, the Issuer will then be obliged to redeem the relevant Notes. If the Initial Borrower does not prepay all of the relevant Term Advances and does not pay the full amount of any Ongoing Facility Fee due to the Issuer, the Issuer may be unable to meet its obligations under the Notes, with the result that the Noteholders may not receive all of the payments of principal and interest due to them in respect of the Notes.

Withholding tax in respect of the Issuer/Borrower Facility Agreement and the Issuer/Borrower Swap Agreement

On the basis of advice received, the directors of the Issuer believe that all payments made under the Issuer/Borrower Facility Agreement can be made without deduction or withholding for or on account of any UK tax. In the event that any withholding or deduction for or on account of tax is required to be made from any payment due to the Issuer under the Issuer/Borrower Facility Agreement, the Obligor making that payment will be obliged to gross up that payment so that the Issuer will receive the same cash amount that it would have received had no such withholding or deduction been required to be made. If an Obligor is obliged to increase any sum payable by it to the Issuer as a result of that Obligor being required by a change in tax law to make a withholding or deduction from that payment, the Initial Borrower will have the option (but not the obligation) to prepay all outstanding Term Advances made under the Issuer/Borrower Facility Agreement in full. If the Initial Borrower chooses to prepay the Term Advances, the Issuer will then be required to redeem the Notes. If the Obligors do not have sufficient funds to enable them to gross up payments to the Issuer, the Issuer's ability to meet its payment obligations under the Notes could be adversely affected.

Similarly, on the basis of advice received, the directors of the Issuer believe that all payments to be made under the Issuer/Borrower Swap Agreement can be made without withholding or deduction for or on account of any tax. In the event that any such withholding or deduction is required to be made from any payment to be made by the Initial Borrower under the Issuer/Borrower Swap Agreement, the amount to be paid by the Initial Borrower will be increased to the extent necessary to ensure that, after any such withholding or deduction has been made, the amount received by the Issuer is equal to the amount that the Issuer would have received had such withholding or deduction not been required to be made.

In the event that any such withholding or deduction is required to be made from any payment to be made by the Issuer under the Issuer/Borrower Swap Agreement as a result of a change in law after the First Closing Date, the Issuer will not be required to pay any additional amounts to the Initial Borrower in respect of such withholding or deduction.

If the Initial Borrower is obliged to pay such an increased amount under the Issuer/Borrower Swap Agreement or is obliged to receive an amount from the Issuer net of any withholding or deduction for or on account of tax, the Initial Borrower will have the option (but not the obligation) to prepay in full the outstanding Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Second Term B2 Advance and, on and following the Class B1 Step-Up Date, the Initial Term B1 Advance. If the Initial Borrower chooses to prepay such Term Advances, the Issuer will then be required to redeem the corresponding class(es) of Notes.

If the Initial Borrower does not have sufficient funds to enable it to gross up payments to the Issuer under the Issuer/Borrower Swap Agreement, the Issuer's ability to meet its payment obligations under the Notes could be adversely affected.

Securitisation company tax regime

Where a company qualifies as a securitisation company for the purposes of the Taxation of Securitisation Companies Regulations 2006 (the "**Securitisation Regulations**") and fulfils two further conditions, that company will be subject to corporation tax on its "retained profit" and will not be taxed on amounts in accordance with its accounts or as otherwise determined for tax purposes. The Issuer has made an election pursuant to paragraph 13 of the Securitisation Regulations with effect from the start of its accounting period that began on 1 May 2007 to be treated as a securitisation company for tax purposes. The Issuer has made certain representations and gives covenants not to do anything (or permit anything to be done) which will result in it ceasing to satisfy the conditions to qualify as a securitisation company within the scope of the Securitisation Regulations.

The Securitisation Regulations may be the subject of further amendment. There can be no assurance that the official interpretation of, or amendments to, these regulations will not have a material adverse effect on the Issuer's United Kingdom tax position.

Proposed changes in tax law arising from the OECD's Base Erosion and Profit Shifting ("BEPS") project might have an adverse effect on the financial position of the Issuer or the Obligors, and may result in early redemption of the Notes

On 5 October 2015, the OECD published final recommendations for new, or amendments to existing, tax laws arising from its BEPS project (the "**OECD proposals**"). The OECD proposals include recommendations as to best practice concerning limits on the deductibility of interest expense for corporate tax payers, based on certain ratios of net interest expenditure to earnings before interest, tax, depreciation and amortisation.

On 22 October 2015, the UK government issued a consultation paper on the potential implementation of the OECD proposals concerning the deductibility of interest expense for UK corporation tax purposes and on 12 May 2016 a further consultation paper was issued by the UK Government on this subject. The UK government has announced that as part of their implementation of the OECD proposals, the UK will introduce new restrictions on interest deductions based on the final Action 4 of the OECD proposals. There will be a cap on interest deductions by means of a fixed ratio rule based on 30 per cent. of a group's UK EBITDA, and a worldwide group ratio rule to enable groups which have high external gearing for genuine commercial purposes to deduct interest that would otherwise be disallowed under the fixed ratio rule. There will be an exception from the rules for certain types of investment in public infrastructure in the UK. The scope of the new rules (that are to apply from 1 April 2017) and exceptions is still unclear.

Implementation of the rules and the OECD proposals in the UK may limit the ability of the Initial Borrower to claim deductions for all or part of its interest expenses, which may have an adverse effect on the financial position of the Initial Borrower and on the Initial Borrower's ability to repay amounts of principal and interest under the Issuer/Borrower Facility Agreement. If, in turn, the Issuer does not receive all amounts due from the Initial Borrower under the Issuer/Borrower Facility Agreement, the Issuer may not have sufficient funds to enable it to meet its payment obligations under the Notes and/or any other payment obligations ranking in priority to, or equally with, the Notes. Given the Issuer's status under the Securitisation Regulations, it may well be less likely that its tax status will be affected by implementation of the OECD proposals, although the position is currently uncertain.

Information Reporting

Information relating to the Notes, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes and information and documents in connection with transactions relating to the Notes. In certain circumstances, such information may be shared with tax authorities in other countries. Some jurisdictions including the United States operate a withholding system in place of, or in addition to, such provision of information requirements (see further the section entitled *"FATCA Withholding"* below). Failure to comply with any applicable reporting and transparency regimes may result in fines and/or penalties being imposed.

Whilst Notes are held in definitive form, under Condition 21 (Provision of Information) of the Notes, Noteholders may be required to provide certain information and documentation to the Issuer as the Issuer may reasonably request for the purposes of the Issuer's compliance with its reporting requirements under such regimes. Where a Noteholder fails to provide information in relation to the Class A6 Notes, the Class AB2 Notes or any New Notes and such failure results in the Issuer or a Note Guarantor receiving a payment in connection with the Notes subject to a deduction or withholding or incurring a fine or penalty, the Issuer or Note Guarantor (as applicable) may, in its absolute discretion, reduce any amount payable to the relevant Noteholder by an amount up to the amount of the deduction, withholding, fine or penalty pursuant to Condition 8(c) (Failure to provide information).

Change of law

The structure of the transaction and, *inter alia*, the issue of the Fourth Issue Notes and the ratings which are to be assigned to them are based on English law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the effect of any possible judicial decision or change to English law or administrative practice of any jurisdiction after the date of this Prospectus.

It is possible that, as a result of case law or through statute, changes in law or regulations, or their interpretation or application may result in either the Issuer's or the Securitisation Group's debt financing arrangements, as currently structured, no longer having the effect anticipated or which could have a material adverse effect on the Issuer's or the Securitisation Group's business, financial condition and results of operation and could adversely affect the rights and/or priorities of payments of the Fourth Issue Notes.

European matters

A referendum on the United Kingdom's membership of the EU will be held on 23 June 2016. The outcome of such a referendum is not known and there is considerable uncertainty as to the impact of either a "Remain a member of the European Union" or "Leave the European Union" vote on general economic conditions in the United Kingdom. As such, no assurance can be given as to the impact of the referendum on the United Kingdom's membership of the EU and in particular, no assurance can be given that such matters would not adversely affect the market value of the Fourth Issue Notes and/or the ability of the Issuer to satisfy its obligations under the Fourth Issue Notes.

Introduction of International Financial Reporting Standards

Under the terms of the Issuer/Borrower Facility Agreement, each Obligor has agreed that the conduct of the future operations and business of the Securitisation Group will be subject to certain financial covenants (as described in the section entitled "*Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Financial Covenants*" below). In addition, certain further provisions of the Transaction Documents contain conditions and/or triggers which are based upon assessments of the financial condition of the business of the Securitisation Group calculated by reference to the financial statements produced in respect of the Initial Borrower and the Securitisation Group. These financial and other covenants have been set at levels which are based on the accounting principles, standards, conventions and practices generally accepted in the United Kingdom at the current time and which are adopted by the Securitisation Group.

It is possible that any future changes in these accounting principles, standards, conventions and practices which are adopted by the Securitisation Group may result in significant changes in the reporting of its financial performance. This, in turn, may necessitate that the terms of the financial covenants are renegotiated. The Issuer/Borrower Facility Agreement will provide that should any such change to accounting principles, standards, conventions and practices occur, the Borrower Security Trustee will negotiate and agree such amendments to the financial covenants as may be necessary to grant the Issuer protection comparable to that granted by the financial covenants on the Fourth Closing Date. To the extent that no agreement can be reached as to the required changes, the Obligors will be required to produce financial statements prepared on the basis of the accounting principles, standards, conventions and practices prevailing before such change for the purposes of the financial covenants and to provide a reconciliation between those financial statements and those prepared in accordance with the changed accounting principles, standards, conventions and practices adopted by the Securitisation Group. In addition, such future changes to accounting principles, standards, conventions and practices may result in changes to the equity and/or subordinated debt capital structure of the Initial Borrower and the Securitisation Group Parent being required in order to allow the Obligors to make Restricted Payments in circumstances where the Restricted Payment Condition is satisfied (as such terms are defined in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Restricted Payment Condition"* below). Any such changes will, however, only be permitted to the extent that the Borrower Security Trustee determines that such changes would not be materially prejudicial to the Borrower Secured Creditors or if the Ratings Test is satisfied.

Other General Considerations

Forward-looking statements

This Prospectus contains certain statements which may constitute forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "target", "expect", "intend", "believe" or other words of similar meaning. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty. As such statements are inherently subject to risks and uncertainties, there are a number of factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, (a) risks and uncertainties relating to the United Kingdom economy, the United Kingdom pub industry, consumer demand, beer consumption levels and government regulation and (b) such other risks and uncertainties detailed herein. All written and oral forward-looking statements attributable to the GK Group and the Issuer or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Prospective purchasers of the Notes are cautioned not to put undue reliance on such forward-looking statements.

Neither the GK Group nor the Issuer will undertake any obligation to publish any revisions to these forward-looking statements to reflect circumstances or events occurring after the date of this Prospectus.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the incentives for certain investors to invest in securities issued under such structures, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Other Parties or any other member of the GK Group or any of their respective affiliates or advisers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory current treatment or other investment in the Notes.

Such regulation includes Articles 404-410 of the CRR, which provide that an EU credit institution shall only be exposed to the credit risk of a securitisation position if (a) the originator, sponsor or original lender has represented that it will retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5 per cent. and (b) it is able to demonstrate to its regulator on an ongoing basis that it has a comprehensive and thorough understanding of the key terms, risks and performance of each securitisation position in which it is invested. Failure by an EU credit institution investor to comply with the requirements of Articles 404-410 of the CRR in relation to any applicable investment will result in an increased capital charge to or increased risk-weighting applying to such investor in respect of that investment. Similar requirements to those set out in Articles 404-410 of the CRR have been implemented for EU-regulated alternative investment fund managers by Section 5 of the AIFMR and for EU-regulated insurance or reinsurance undertakings by Article 254 of Chapter VIII of Title I of the Solvency II Regulation and are expected to be implemented for other EU-regulated investors, including UCITS.

No retention undertaking of the sort contemplated by the provisions referred to in the preceding paragraph has been or will be given in relation to this transaction. The Issuer has obtained and considered legal advice as to the applicability of Article 405 of the CRR to this transaction and is of the opinion that the Class A6 Notes and the Class AB2 Notes do not constitute an exposure to a "securitisation position" for the purposes of Article 405. The Issuer is of the opinion that the requirements of Article 405 of the CRR should not apply to investments in the Class A6 Notes and Class AB2 Notes.

Investors should be aware that the regulatory capital treatment of any investment in the Notes will be determined by the interpretation which an investor's regulator places on the provisions of the CRR, the AIFMR and the Solvency II Regulation. Prospective investors should therefore be aware that should the relevant investor's regulator interpret the regulations such that Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation do apply to an investment in the Notes, significantly higher capital charges may be applied to that investor's holding. Although market participants have, in consultations relating to these regulatory reforms, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore some uncertainty remains as to which transactions are subject to Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation.

Investors in the Notes are responsible for analysing their own regulatory position and independently assessing and determining whether or not Articles 404-410 of the CRR, Section 5 of the AIFMR or Article 254 of the Solvency II Regulation will be applied to their exposure to the Notes. Further, none of the Issuer, the Other Parties or any other member of the GK Group or any of their respective affiliates or advisers makes any representation in respect of the application of Articles 404-410 of the CRR, Section 5 of the AIFMR and Article 254 of the Solvency II Regulation to any investment in the Notes.

Investors should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Notes.

Changes to the risk weighted asset framework

In 1988, the Basel Committee adopted capital guidelines that explicitly link the relationship between a bank's capital and its credit risks. The Basel Committee has since made a number of changes to this framework (the framework in its current form being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a minimum leverage ratio for financial institutions. In particular, the changes include new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**" respectively). Member countries were required to implement the new capital standards from January 2013 and the Liquidity Coverage Ratio from January 2015 and will be required to implement the Net Stable Funding Ratio from January 2018. The European authorities have implemented Basel III via a new capital requirements directive (the "**CRD4**") and a capital requirements regulation (the "**CRR**"). The requirements of the CRD4 and the CRR are taking effect in stages beginning on 1 January 2014, with full implementation by 1 January 2019. Basel III, the CRD4 and the CRR may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of Basel III, the CRD4, the CRR) and any implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Fourth Issue Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Fourth Issue Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Fourth Issue Notes on a timely basis or at all.

INFORMATION INCORPORATED BY REFERENCE

The information referred to in the table below shall be deemed to be incorporated in, and to form part of, this Prospectus, provided that any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

Such documents will be made available, free of charge, during usual business hours at the specified offices of the Irish Paying Agent, unless such documents have been modified or superseded.

For ease of reference, the tables below set out the relevant page references for the financial statements, the notes to the accounts and the auditor's report for the Issuer as of and for the 53 weeks ended 4 May 2014 and as of and for the 52 weeks ended 3 May 2015. The financial statements and the auditor's reports for the Issuer as of and for the 53 weeks ended 4 May 2014 and as of and for the 52 weeks ended 3 May 2015 were filed with the Stock Exchange on 29 January 2016. Any information not listed in the cross-reference table below but included in the documents incorporated by reference is given for information purposes only.

Greene King Finance plc

Financial Statements for the 53 week period ended 4 May 2014 (http://www.ise.ie/debt_documents/Aud%20Fin%20Greene%20King%20Finance%20plc%2004.05.2014(19718096_1)_0031674d-3abf-4696-90a1-5496c6b91910.PDF?v=2902016)	
Profit and loss account	Page 6
Balance sheet	Page 7
Notes to the accounts	Pages 8-17
Independent auditor's report	Pages 5
Financial Statements for the 52 week period ended 3 May 2015 (http://www.ise.ie/debt_documents/AudFin%20Greene%20King%20Finance%20Plc%2003.05.2015(19718090_1)_f65851d7-8a61-4c58-8d36-421f416e1982.PDF?v=2902016)	
Profit and loss account	Page 6
Balance sheet	Page 7
Notes to the accounts	Pages 8-17
Independent auditors' report	Pages 5

The Issuer will prepare its statutory financial statements for the 52-week period ending 1 May 2016 in compliance with the requirements of Financial Reporting Standard 101 'Reduced Disclosure Framework' ("**FRS 101**"), including comparative information for the 52-week period ended 3 May 2015. Those financial statements will be the first financial statements prepared by the Issuer in accordance with FRS 101.

Accordingly, to comply with the Prospectus Directive rules on financial information, special purpose financial information as of and for the 52-week period ended 3 May 2015 has been prepared on the basis expected to be applicable to the comparative information that will be prepared for inclusion in that first set of financial statements prepared in accordance with FRS 101.

The special purpose financial information has been prepared by the Issuer in accordance with FRS 101 and in accordance with applicable UK accounting standards for inclusion in this Prospectus, except as follows. The Issuer is not required by the Prospectus Directive to prepare, for inclusion in this prospectus, financial information in accordance with FRS 101 for any financial period commencing before 5 May 2014. Accordingly, the directors of the Issuer have elected not to prepare comparative amounts in the financial information and as a result the financial information does not represent a full set of financial statements in accordance with FRS 101.

The special purpose financial information of the Issuer as of and for the 52 weeks ended 3 May 2015, and the accountant's report thereon, are attached hereto as *"Annex 1 – Financial Information - Issuer"*.

SELECTED HISTORICAL FINANCIAL DATA ON THE SECURITISATION ESTATE

Unaudited, aggregated financial information in relation to the Mortgaged Properties comprising the Securitisation Estate

On the First Closing Date, the Initial Borrower acquired 904 pubs and on the Second Closing Date acquired a further 801 pubs. A further 428 pubs were acquired by the Initial Borrower on the Third Closing Date and 106 pubs were disposed of from the Securitisation Estate on the Third Closing Date. The Securitisation Estate as at the date of this Prospectus stands at 1,474 pubs. The Securitisation Estate on the Fourth Closing Date will comprise a total of 1,543 pubs of which 770 are tenanted and 773 are managed. The following table sets forth certain unaudited financial information (taken from unpublished non-statutory financial statements) for the 1,543 pubs that will comprise the Securitisation Estate on the Fourth Closing Date on an aggregated basis for the 52 weeks ended 28 April 2013, the 53 weeks ended 4 May 2014 and the 52 weeks ended 3 May 2015.

Unaudited, aggregated financial information for the pubs which will comprise the Securitisation Estate on the Fourth Closing Date

	52 weeks ended 28 April 2013	**53 weeks ended 4 May 2014**	**52 weeks ended 3 May 2015**
	£m	**£m**	**£m**
Turnover	745.8	800.9	792.5
Cost of sales	(229.0)	(244.9)	(236.6)
Gross profit	516.8	556.0	555.9
House operating costs	(337.7)	(364.9)	(370.8)
Aggregated operating profit	179.1	191.1	185.1
Number of tenanted pubs	770	770	770
Number of managed pubs	753	768	772

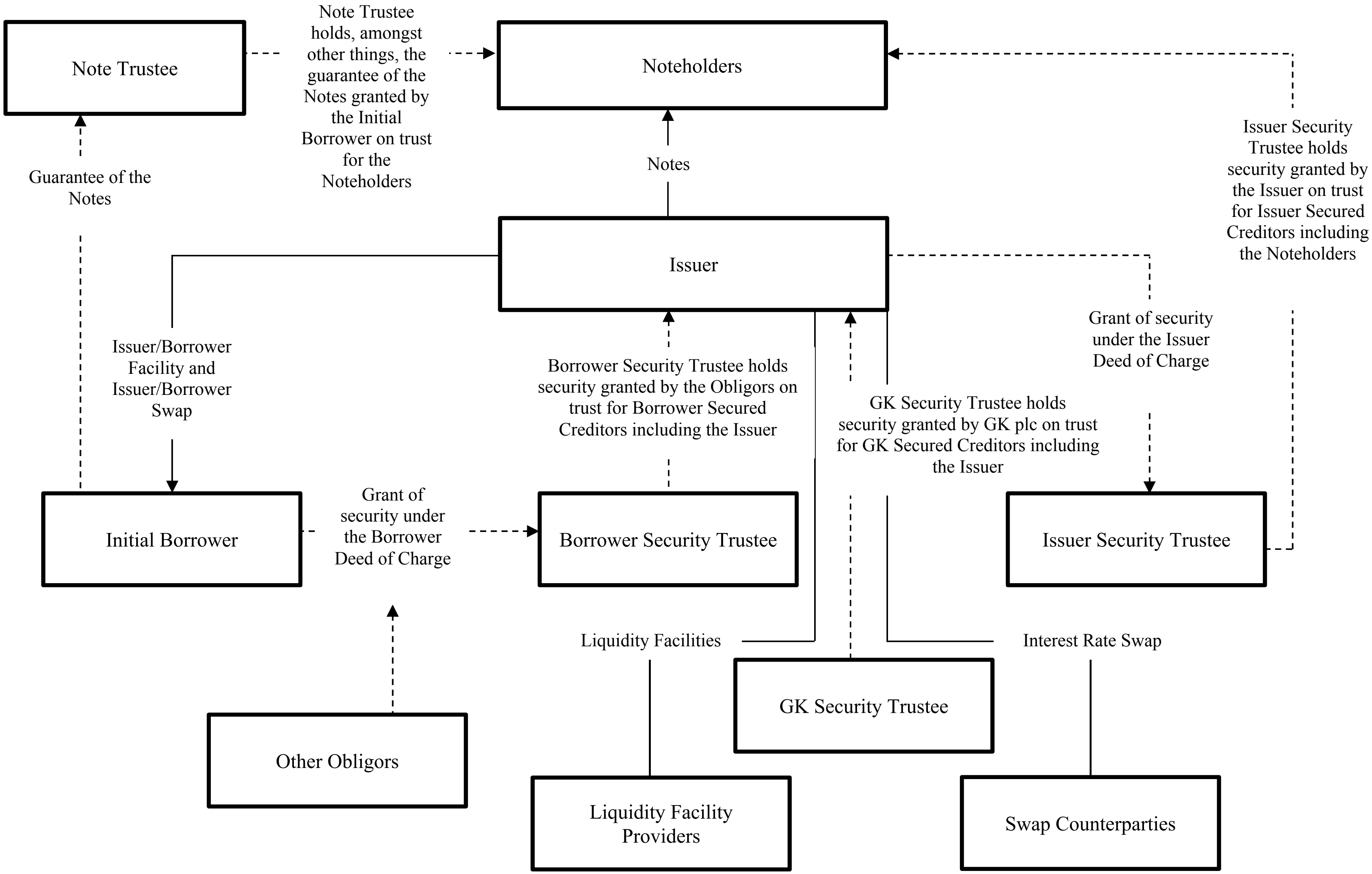
Notes to the unaudited, aggregated financial information for the pubs which will comprise the Securitisation Estate on the Fourth Closing Date

1. The unaudited, aggregated financial information has been prepared by aggregating the relevant financial information in respect of the pubs which from the Fourth Closing Date will comprise the Securitisation Estate.

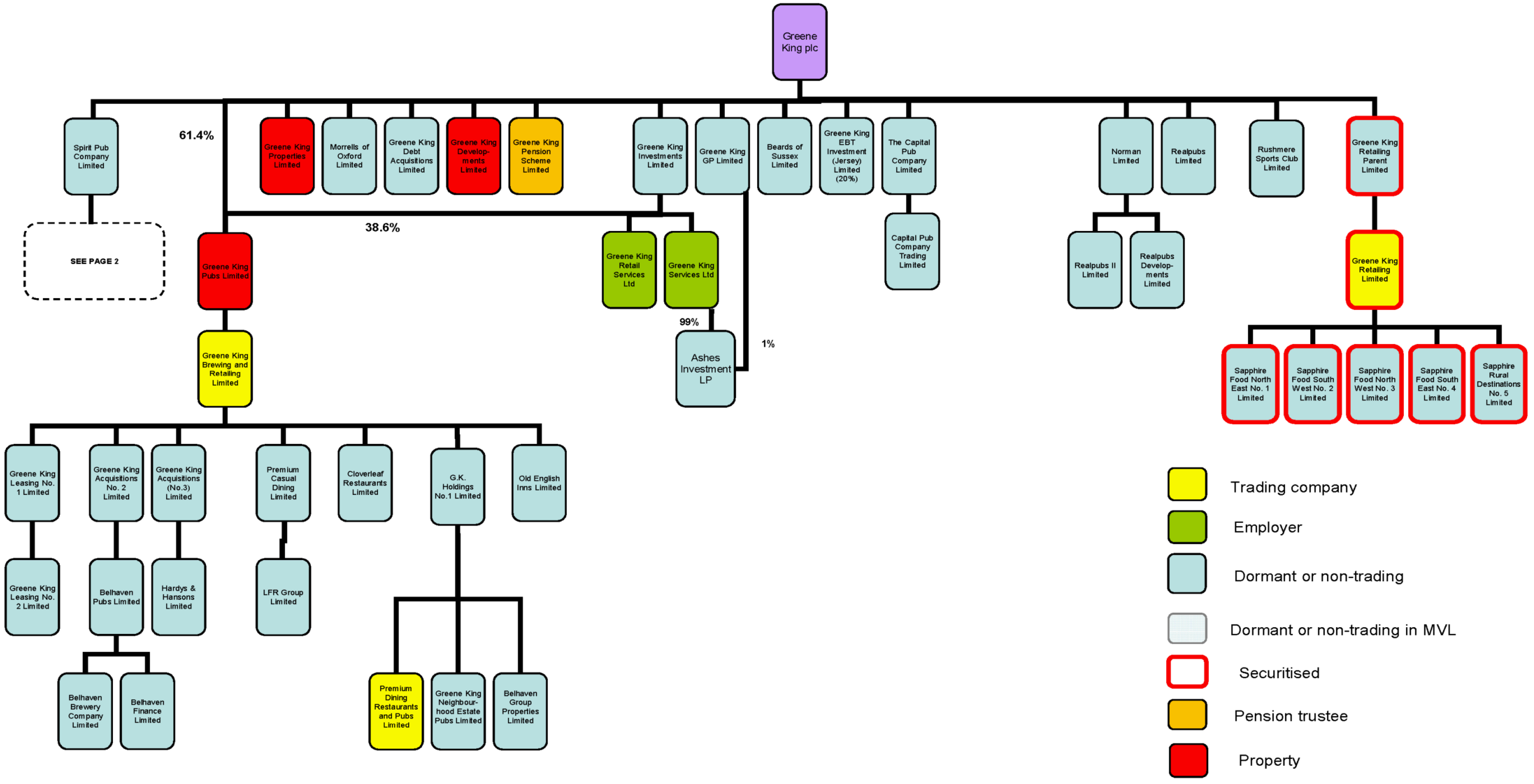
2. The unaudited, aggregated financial information above includes directly attributable overheads and allocated central services and head office related overheads.

3. Pub numbers show the position at the end of each period.

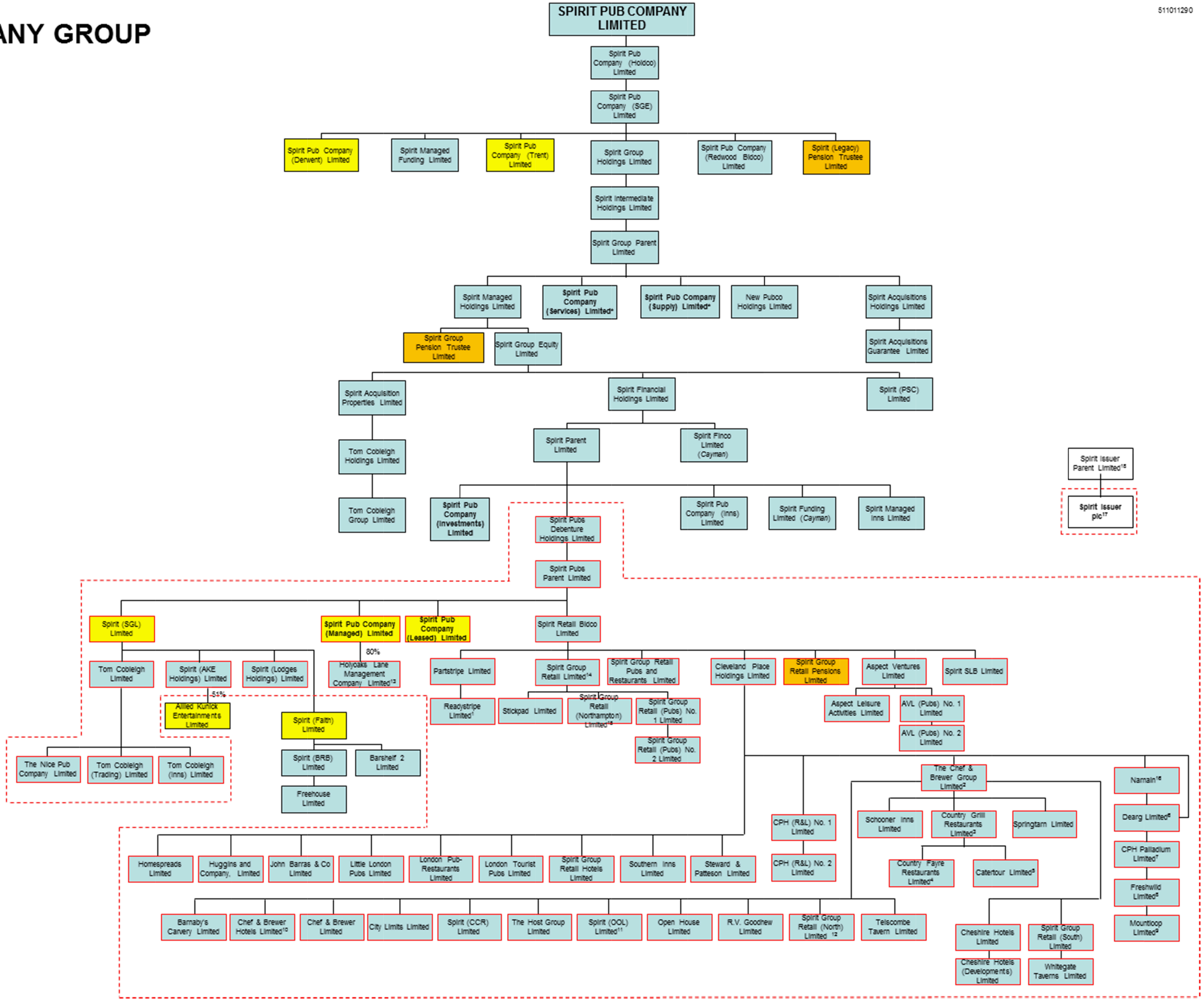
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



CORPORATE STRUCTURE OF THE GREENE KING GROUP



SPIRIT PUB COMPANY GROUP



OVERVIEW OF THE TERMS AND CONDITIONS OF THE FOURTH ISSUE NOTES, THIRD ISSUE NOTES, SECOND ISSUE NOTES AND ORIGINAL NOTES AND RELATED MATTERS

The following is only an overview of, and should be read in conjunction with and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Prospectus.

Key Characteristics of the Notes

	Class A1 Notes	Class A2 Notes	Class A3 Notes	Class A4 Notes	Class A5 Notes	Class A6 Notes	Class AB2 Notes	Class B1 Notes	Class B2 Notes
Issue Price	100%	100%	100%	99.997%	99.95%	100%	100%	100%	100%
Denomination of Notes	£50,000 and in increments above £50,000 of £1,000	£50,000 and in increments above £50,000 of £1,000	£50,000 and in increments above £50,000 of £1,000	£50,000 and in increments above £50,000 of £1,000	£50,000 and higher integral multiples of £1,000, up to and including £99,000	£100,000 and higher integral multiples of £1,000, up to and including £199,000	£100,000 and higher integral multiples of £1,000, up to and including £199,000	£50,000 and in increments above £50,000 of £1,000	£50,000 and in increments above £50,000 of £1,000
Aggregate Principal Amount on Issue	£150,000,000	£320,000,000	£170,000,000	£265,000,000	£290,000,000	£300,000,000	£40,000,000	£130,000,000	£115,000,000
Interest Rate	3-month LIBOR[1] plus a margin of 0.38% per annum up to (but excluding) the Interest Payment Date falling in March 2012 and thereafter 3-month LIBOR plus a margin of 0.38% per annum and a further margin of 0.57% per annum	5.318% per annum	3-month LIBOR[2] plus a margin of 0.50% per annum up to (but excluding) the Interest Payment Date falling in June 2013 and thereafter 3-month LIBOR plus a margin of 0.50% per annum and a further margin of 0.75% per annum	5.106% per annum	3-month LIBOR[3] plus a margin of 1.00% per annum	4.0643% per annum	6.0552% per annum	5.702% per annum up to (but excluding) the Interest Payment Date falling in March 2020 and thereafter 3-month LIBOR plus a margin of 0.72% per annum and a further margin of 1.08% per annum	3-month LIBOR[4] plus a margin of 0.83% per annum up to (but excluding) the Interest Payment Date falling in June 2013 and thereafter 3-month LIBOR plus a margin of 0.83% per annum and a further margin of 1.25% per annum
Step-Up Fee	N/A	N/A	N/A	N/A	1.50% from the Interest Payment Date falling in June 2013	N/A	N/A	N/A	N/A
Payment Dates for Interest and Principal Payments	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2005 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2005 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2006 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2006 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 September, 2008 and the first	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2016 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2016 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2005 and the first Interest	15 June, 15 September, 15 December and 15 March of each year (subject to adjustment for non-business days), the first Interest Payment Date being 15 June 2006 and the first Interest

	Period being from (and including) the First Closing Date to (but excluding) 15 June 2005	Period being from (and including) the First Closing Date to (but excluding) 15 June 2005	Period being from (and including) the Second Closing Date to (but excluding) 15 June 2006	Period being from (and including) the Second Closing Date to (but excluding) 15 June 2006	Interest Period being from (and including) the Third Closing Date to (but excluding) 15 September 2008	Period being from (and including) the Fourth Closing Date to (but excluding) 15 June 2016	Period being from (and including) the Fourth Closing Date to (but excluding) 15 June 2016	Period being from (and including) the First Closing Date to (but excluding) 15 June 2005	Period being from (and including) the Second Closing Date to (but excluding) 15 June 2006
Final Maturity Date	June 2031	September 2031	September 2021	March 2034	December 2033	March 2035	March 2036	December 2034	March 2036
Remaining Average Life[5]	6.13 years	9.85 years	2.77 years	12.22 years	10.40 years	10.51 years	18.83 years	17.02 years	19.09 years
Frequency of Scheduled Mandatory Redemption	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)	In accordance with Condition 7(b)
Early Redemption Price	No early redemption permitted prior to the Interest Payment Date falling in March 2006 and thereafter par	Amount calculated in accordance with the formula set out in Condition 7(c)(i)	No early redemption permitted prior to the Interest Payment Date falling in June 2007 and thereafter par	Amount calculated in accordance with the formula set out in Condition 7(c)(i)	Par	Amount calculated in accordance with the formula set out in Condition 7(c)(i)	Amount calculated in accordance with the formula set out in Condition 7(c)(i)	Amount calculated in accordance with the formula set out in Condition 7(c)(i) up to (but excluding) the Interest Payment Date falling in March 2020 and thereafter par	No early redemption permitted prior to the Interest Payment Date falling in June 2007 and thereafter par
Interest Accrual Method	Actual/365	Actual/Actual	Actual/365	Actual/Actual	Actual/365	Actual/Actual	Actual/Actual	Prior to the Interest Payment Date falling in March 2020 Actual/Actual and thereafter Actual/365	Actual/365
Frequency of Payment of Interest	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Form of Notes at Issue	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form	Bearer Form
Clearing System	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg
Credit Enhancement[6] **(provided by other classes of Notes subordinated to the relevant class)**	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class AB2 Notes and Class B Notes	Subordination of the Class B Notes	Nil	Nil

Application for Exchange Listing	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland	Ireland
ISIN	XS0213357972	XS0213358350	XS0252912471	XS0252914923	XS0372045798	XS1401172421	XS1401172694	XS0213358608	XS0252915730
Common Code	21335797	21335835	25291247	25291492	37204579	140117242	140117269	21335860	25291573
Rating/ Expected Rating – S&P[7]	A (sf)	A (sf)	A (sf)	A (sf)	A (sf)	A (sf)	BBB+ (sf)	BBB (sf)	BBB (sf)
Rating/ Expected Rating Fitch[7]	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB	BBB-	BBB-

Notes

1. In the case of the first Interest Period commencing on the First Closing Date, this was the annual rate obtained by linear interpolation of LIBOR for three-month sterling deposits and LIBOR for four-month sterling deposits.
2. In the case of the Interest Period commencing on the Second Closing Date, this was the annual rate obtained by linear interpolation of LIBOR for one-month sterling deposits and LIBOR for two-month sterling deposits.
3. In the case of the Interest Period commencing on the Third Closing Date, this will be the annual rate obtained by linear interpolation of LIBOR for two-month sterling deposits and LIBOR for three-month sterling deposits.
4. In the case of the Interest Period commencing on the Fourth Closing Date, this will be the annual rate obtained by the linear interpolation of LIBOR for two-month sterling deposits and LIBOR for three-month sterling deposits.
5. Remaining Average Life for each class of Notes is calculated from the Fourth Closing Date and assumes that there is no other early redemption in respect of any Notes.
6. Provided that, in certain circumstances, the Class AB2 Notes and the Class B Notes may be redeemed prior to the redemption of the Class A Notes (see the section entitled "Risk Factors – Priorities in respect of the Notes" below).
7. No rating is given in respect of Step-Up Amounts or payments in respect of redemption premia. The expected ratings for the existing Notes are subject to, among other things, the new transactions relating to the Class A6 Notes and Class AB2 Notes (as such transactions are described in this Prospectus) being effected on the Fourth Closing Date.

Further Characteristics of the Notes

The Fourth Issue Notes

On the Fourth Closing Date, the Issuer will issue £300,000,000 Class A6 Secured 4.0643 per cent. Notes due 2035 (the "**Class A6 Notes**" and £40,000,000 Class AB2 Secured 6.0552 per cent. Notes due 2036 (the "**Class AB2 Notes**", together with the Class A6 Notes, the "**Fourth Issue Notes**").

The Original Notes

On the First Closing Date, the Issuer issued £150,000,000 Class A1 Secured Floating Rate Notes due 2031 (the "**Class A1 Notes**"), the £320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031 (the "**Class A2 Notes**" and together with the Class A1 Notes, the "**Original Class A Notes**") and the £130,000,000 Class B Secured Fixed/Floating Rate Notes due 2034 (the "**Original Class B Notes**" and together with the Original Class A Notes, the "**Original Notes**"). On the Second Closing Date, the Original Class B Notes were redesignated as Class B1 Notes and are referred to in this Prospectus as the "**Class B1 Notes**". The Class B1 Notes and the Class B2 Notes together constitute the "**Class B Notes**".

The Second Issue Notes

On the Second Closing Date, the Issuer issued £170,000,000 Class A3 Secured Floating Rate Notes due 2021 (the "**Class A3 Notes**"), £265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034 (the "**Class A4 Notes**" and together with the Class A3 Notes, the "**Second Issue Class A Notes**") and £115,000,000 Class B2 Secured Floating Rate Notes due 2036 (the "**Class B2 Notes**" and together with the Second Issue Class A Notes, the "**Second Issue Notes**").

The Third Issue Notes

On the Third Closing Date, the Issuer issued £290,000,000 Class A5 Secured Floating Rate Notes due 2033 (the "**Class A5 Notes**") and £60,000,000 Class AB1 Secured Floating Rate Notes due 2036 (the "**Class AB1 Notes**" and together with the Class A5 Notes, the "**Third Issue Notes**"), provided that references to the Third Issue Notes shall not include the Class AB1 Notes once the Class AB1 Notes are cancelled following purchase by the Initial Borrower.

Ranking

The obligations of the Issuer in respect of the Notes (other than in relation to any Step-Up Amounts), following the issue of the Fourth Issue Notes, will rank in the following order in point of security and as to payments of interest and repayment of principal:

(a) first, *pro rata* and *pari passu* amongst themselves, the Class A Notes;

(b) second, *pro rata* and *pari passu* amongst themselves, the Class AB2 Notes; and

(c) third, *pro rata* and *pari passu* amongst themselves, the Class B Notes.

The holders of the Class AB2 Notes will be entitled to receive payments of principal and interest on their Notes on any Interest Payment Date only to the extent that the Issuer has funds available for the purpose after making payment on such Interest Payment Date of any liabilities ranking in priority to the Class AB2 Notes (including all amounts payable on the relevant Interest Payment Date in respect of the Interest Rate Swap Agreements (other than any Swap Subordinated Amounts), the Liquidity Facility Agreements (other than any Liquidity Subordinated Amounts) and all amounts of interest and principal (if any) payable on the relevant Interest Payment Date in respect of the Class A Notes (other than any Step-Up Amounts) or any New Notes which rank in priority to the Class AB2 Notes, all as provided in Condition 18 (*Subordination and Deferral*) and in the Issuer Deed of Charge and as described below in *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"*).

The holders of the Class B Notes will be entitled to receive payments of principal and interest on their Notes on any Interest Payment Date only to the extent that the Issuer has funds available for the purpose after making payment on such Interest Payment Date of any liabilities ranking in priority to the Class B Notes (including all amounts payable on the relevant Interest Payment

Date in respect of the Interest Rate Swap Agreements (other than any Swap Subordinated Amounts), the Liquidity Facility Agreements (other than any Liquidity Subordinated Amounts) and all amounts of interest and principal (if any) payable on the relevant Interest Payment Date in respect of the Class A Notes (other than any Step-Up Amounts), the Class AB2 Notes (other than any Step-Up Amounts) or any New Notes which rank in priority to the Class B Notes, all as provided in Condition 18 (*Subordination and Deferral*) and in the Issuer Deed of Charge and as described below in *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"*).

Any interest on and principal of any Class AB2 Notes not paid on an Interest Payment Date will itself accrue interest and will be paid to the holders of the Class AB2 Notes on subsequent Interest Payment Dates to the extent the Issuer has funds available for such purpose, after paying in full on such Interest Payment Date all payments ranking in priority thereto as aforesaid.

Any interest on and principal of any Class B Notes not paid on an Interest Payment Date will itself accrue interest and will be paid to the holders of the Class B Notes on subsequent Interest Payment Dates to the extent the Issuer has funds available for such purpose, after paying in full on such Interest Payment Date all payments ranking in priority thereto as aforesaid.

Where a class of Notes ranks senior to another class of Notes (and is not being redeemed in full on an Interest Payment Date such that the junior class of Notes will, following such payment, become the Most Senior Class of Notes (as defined in the Conditions)), the non-payment of any scheduled interest or scheduled principal of the junior class of Notes shall not constitute a Note Event of Default except on the Final Maturity Date of such junior class of Notes.

The payment of any Step-Up Amount (whether arising as a result of application of a Step-Up Margin in the case of the Class A1 Notes, the Class A3 Notes, Class A5 Notes, the Class B1 Notes and the Class B2 Notes or as a result of a Step-Up Fee in respect of the Class A5 Notes) is subordinated to payments of interest and repayments and prepayments of principal on each class of Notes and failure to pay any such Step-Up Amount will not constitute a Note Event of Default. The holders of the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class B1 Notes and the Class B2 Notes will be entitled to receive payments of Step-Up Amounts on their respective Notes on any Interest Payment Date only to the extent that the Issuer has funds available for the purpose after making payments on such Interest Payment Date of all liabilities ranking in priority to the liability to pay Step-Up Amounts on each such class of Notes. There are no Step-Up Amounts payable on any other Notes. **The security ratings assigned by the Rating Agencies do not address the likelihood of the receipt of any Step-Up Amounts in respect of any class of Notes whether such Step-Up Amounts comprise (in the case of the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class B1 Notes and the Class B2 Notes) a subordinated part of the interest amount payable by the Issuer or (in the case of the Class A5 Notes) a separate fee payable by the Issuer.**

The Issuer's obligations to make payments under the Interest Rate Swap Agreements (other than Swap Subordinated Amounts) and the Liquidity Facility Agreements (other than Liquidity Subordinated Amounts) each rank ahead of its obligations in respect of the Notes.

Security for the Notes

On the First Closing Date, the Issuer, pursuant to a deed of charge entered into on the First Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**Original Issuer Deed of Charge**"), created first ranking fixed security interests over, *inter alia*, all of its rights, title and interest in the

Transaction Documents (as defined in the Conditions), the Issuer Accounts and its Eligible Investments together with first ranking floating security over all or substantially all of the Issuer's property, undertaking and assets which are not subject to such fixed security, in each case, in favour of the Issuer Security Trustee to be held on trust for the benefit of itself, the Noteholders, the Swap Counterparties, the Cash Manager, the Liquidity Facility Providers and any facility agent and/or arranger under the Liquidity Facility Agreements, the Note Trustee, the Paying Agents, the Agent Bank, the Initial Account Bank, Law Debenture Corporate Services Limited (the "**Corporate Services Provider**"), the Initial Borrower and any other creditors who may accede to the Issuer Deed of Charge from time to time (the "**Issuer Secured Creditors**") as security, *inter alia*, for the Notes.

On the Second Closing Date, the Issuer, pursuant to a supplemental deed of charge entered into on the Second Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**First Supplemental Issuer Deed of Charge**") created further first ranking security interests over, *inter alia*, all of its rights, title and interest in the further Transaction Documents entered into on the Second Closing Date, to the extent that the same are not subject to first fixed security under the Original Issuer Deed of Charge, in favour of the Issuer Security Trustee to be held on trust for the benefit of the Issuer Secured Creditors as security, *inter alia*, for the Notes (including the Second Issue Notes).

On the Third Closing Date, the Issuer, pursuant to a second supplemental deed of charge to be entered into on the Third Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**Second Supplemental Issuer Deed of Charge**") created further first ranking security interests over, *inter alia*, all of its rights, title and interest in the further Transaction Documents entered into on the Third Closing Date, to the extent that the same are not subject to first fixed security under the Original Issuer Deed of Charge or the First Supplemental Issuer Deed of Charge in favour of the Issuer Security Trustee to be held on trust for the benefit of the Issuer Secured Creditors as security, *inter alia*, for the Notes (including the Third Issue Notes).

On 16 December 2015, ANTS acceded to the Issuer Deed of Charge by way of an accession deed.

On the Fourth Closing Date, the Issuer will, pursuant to a third supplemental deed of charge to be entered into on or about the Fourth Closing Date between, *inter alios*, the Issuer and the Issuer Security Trustee (the "**Third Supplemental Issuer Deed of Charge**" and together with the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge, the "**Issuer Deed of Charge**"), create further first ranking security interests over, *inter alia*, all of its rights, title and interest in the further Transaction Documents entered into on the Fourth Closing Date, to the extent that the same are not subject to first fixed security under the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge or the Second Supplemental Issuer Deed of Charge in favour of the Issuer Security Trustee to be held on trust for the benefit of the Issuer Secured Creditors as security, *inter alia*, for the Notes (including the Fourth Issue Notes).

In addition, certain other obligations of the Issuer (including the amounts owing to the Issuer Security Trustee and any receiver under the Issuer Deed of Charge, to the Initial Account Bank and the Cash Manager under the Account Bank and Cash Management Agreement, to the Swap Counterparties under the Interest Rate Swap Agreements, to the Liquidity Facility Providers under the Liquidity Facility Agreements, to the Paying Agents and the Agent Bank under the Agency Agreement) are also secured by the Issuer Deed of Charge (together with the Issuer's obligations in respect of the Notes, the "**Issuer Secured Liabilities**").

For a more detailed description of the provisions of the Issuer Deed of Charge including the priority of payments by the Issuer both prior and subsequent to the enforcement of the security thereunder, see the section entitled *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"* below.

Note Guarantee

The Notes will be guaranteed by the Note Guarantor.

Final Redemption

Unless previously redeemed in full in accordance with their terms and conditions (the "**Conditions**"), Notes of each class (including the Fourth Issue Notes) will be redeemed at their Principal Amount Outstanding on the Final Maturity Date applicable to such Notes (as set out above).

Scheduled and other Mandatory Redemption

Unless previously redeemed in full and cancelled, the Notes are subject to scheduled redemption in instalments *pro rata* within the relevant class on the Interest Payment Dates and in the amounts set out in Condition 7(b)(i).

In addition, if the Term Advances have become immediately due and repayable following a Loan Event of Default but the Notes have not become immediately due and repayable pursuant to Condition 11, the Notes will be subject to further redemption *pro rata* within each class and in the amounts set out in Condition 7(e).

Early Mandatory Redemption in Whole or Part upon Prepayment or Acceleration under the Issuer/Borrower Facility Agreement

Under the terms of the Issuer/Borrower Facility Agreement, each Borrower is in some circumstances permitted, and in others required, to prepay or repay advances made under the Issuer/Borrower Facility Agreement (as described in more detail in the sections entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Prepayment of Term Advances"*, *"Prepayment of Additional Term Advances and Purchase of Additional Notes"*, *"Covenants regarding disposal of Mortgaged Properties and related matters"* and *"Acceleration, Cancellation and Enforcement of the Term Advances"* below).

In such circumstances, prior to enforcement of the security for the Notes having occurred, the Issuer shall be required, on giving not less than five Business Days' notice (such notice to expire on an Interest Payment Date) to the Noteholders, the Note Trustee, the Paying Agents and the Agent Bank, to apply a principal amount equal to the amount by which the relevant Term Advance under the Issuer/Borrower Facility Agreement is prepaid or repaid (as the case may be) (including, if applicable, any premium payable on the Notes in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) towards redemption of the class of Notes corresponding to the Term Advance so prepaid or repaid (as the case may be).

The restrictions on when Term Advances (and, therefore, also the corresponding classes of Notes) may be prepaid, and the circumstances in which Term Advances corresponding to more junior ranking classes of Notes may be prepaid prior to Term Advances corresponding to more senior ranking classes of Notes, are described in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Prepayment of Term Advances and Purchase of Additional Notes"* below.

Any Note to be wholly or partly redeemed will be redeemed at the relevant Redemption Amount or Principal Amount Outstanding (as set out in Condition 7 (*Redemption, Purchase and Cancellation*)) together, in each case, with accrued but unpaid interest on the Principal Amount Outstanding of such Note up to but excluding the Interest Payment Date on which such redemption occurs. In the event of a redemption (in whole or part) of the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class B1 Notes or the Class B2 Notes, a corresponding portion of the transactions under the relevant Interest Rate Swap Agreement will terminate and a termination payment may be due to the relevant Swap Counterparty.

Substitution/Redemption for Taxation or Other Reasons

As more particularly described in Condition 7(d), in the event of:

(a) certain tax changes affecting the Notes;

(b) certain tax changes affecting the amounts paid or to be paid by a Swap Counterparty to the Issuer or by the Issuer to a Swap Counterparty under an Interest Rate Swap Agreement; or

(c) certain tax changes affecting the amounts paid or to be paid to the Issuer under the Issuer/Borrower Facility Agreement,

the Issuer will be obliged to use its reasonable endeavours to mitigate the effects of the occurrence of such event, including, without limitation, arranging for the substitution of the Issuer by another entity in an alternative jurisdiction (subject to certain conditions, including the approval of the Note Trustee as to the identity of the substitute entity).

If the Issuer is unable to arrange a substitution, the Issuer may, or, in the event that the Issuer has received a notice of prepayment from the Initial Borrower in accordance with the Issuer/Borrower Facility Agreement, shall, redeem all (but not some or part only) of the Notes at par together with accrued interest on their Principal Amount Outstanding unless the relevant event is of the type described in paragraph (b) above, in which case the Issuer shall be required to redeem all (but not some or part only) of the relevant class(es) of Floating Rate Notes (as defined in the Conditions) only, at par together with accrued interest on their Principal Amount Outstanding.

Unless the relevant event is of the type described in paragraph (b) above, no single class of Notes may be redeemed in the circumstances referred to above unless all other classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

Withholding Tax

Payments of interest, principal and premium (if any) in respect of the Notes will be made subject to any applicable withholding or deduction for, or on account of, any tax and none of the Issuer, any Paying Agent or any other person will be obliged to pay any additional amount as a consequence thereof.

Further Issues and New Issues

The Issuer will be entitled (but not obliged), subject to certain conditions at its option from time to time on any date, without the consent of the Noteholders, to raise further funds by the creation and issue of:

(a) further Class A1 Notes and/or Class A2 Notes and/or Class A3 Notes and/or Class A4 Notes and/or Class A5 Notes and/or Class A6 Notes and/or Class AB2 Notes and/or Class B1 Notes and/or Class B2 Notes which will be in bearer form and carry the same terms and conditions in all respects (save as regards the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the relevant class of Notes ("**Further Notes**"); or

(b) new notes of a new class which may rank *pari passu* with or junior to any class of Notes and/or senior to the Class AB2 Notes and/or the Class B Notes ("**New Notes**").

The issue of any Further Notes and/or New Notes shall be subject to certain conditions as set out in Condition 19 (*Further and New Note Issues*).

Purchases

The Issuer may not purchase any Notes.

The Initial Borrower may purchase any class of Notes in accordance with applicable law and the provisions of the Issuer/Borrower Facility Agreement at any time, save that if the Restricted Payment Condition is not satisfied as at the most recent Financial Quarter Date (as to which see the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Financial Covenants – Restricted Payment Condition"* below), the Initial Borrower will not be permitted to purchase junior ranking Notes (as determined by reference to the applicable Issuer Priority of Payments) if any Notes of a more senior ranking remain outstanding. If the Initial Borrower purchases any Notes, it must surrender those Notes to the Issuer. Upon surrender of any Notes, those Notes will be cancelled and, upon such cancellation an amount of the relevant Term Advance equal to the aggregate principal amount outstanding of such Notes plus an amount of interest on the relevant Term Advance referable to the aggregate of any unpaid accrued interest thereon will be treated as having been prepaid (see the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Deemed Prepayment Upon Purchase of Notes by the Initial Borrower"* below).

Governing Law

The Original Notes, the Second Issue Notes and the Third Issue Notes are governed by English law. The Fourth Issue Notes will also be governed by English law.

KEY PARTIES TO THE TRANSACTION

Issuer	Greene King Finance plc (the "**Issuer**") is a public company with limited liability incorporated under the laws of England with company number 05333192 and whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (telephone number: 020 7696 5285). The entire issued share capital of the Issuer is held beneficially by the Issuer Parent. The Issuer is a bankruptcy remote special purpose vehicle with no employees or premises and limited permitted activities. Its principal activities have comprised since the date of its incorporation, and will continue to comprise, *inter alia,* issuing the Notes and on-lending the proceeds to the Initial Borrower pursuant to the Issuer/Borrower Facility Agreement.
Issuer Parent	Greene King Finance Parent Limited (the "**Issuer Parent**") is a private company with limited liability incorporated under the laws of England with company number 05320993 and whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX. The Issuer Parent is a bankruptcy remote special purpose vehicle with no employees or premises and limited permitted activities. Its principal activity is to beneficially hold the entire issued share capital of the Issuer. The shares of the Issuer Parent are held by The Law Debenture Intermediary Corporation p.l.c. on trust for charitable purposes.
Borrowers and Note Guarantor	Greene King Retailing Limited (the "**Initial Borrower**") is a private limited company incorporated under the laws of England and Wales with company number 05265451 and whose registered office is Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT (telephone number: 01284 763 222). The Notes will be guaranteed by Greene King Retailing Limited (in such capacity, the "**Note Guarantor**"). The entire issued share capital of the Initial Borrower is held by the Securitisation Group Parent. The Issuer/Borrower Facility Agreement includes provisions allowing for the accession of additional borrowers (each an "**Additional Borrower**" and together with the Initial Borrower, the "**Borrowers**"), provided that: (a) each such Additional Borrower meets certain eligibility criteria (including that it is a direct or an indirect subsidiary of the Securitisation Group Parent); and (b) each of the Securitisation Group Parent and the existing Borrowers satisfy certain conditions precedent (including meeting ratings tests, delivering legal opinions, constitutional documents, authorisations and entering into supplemental deeds to the Borrower Deed of Charge and the Tax Deed of Covenant). Where Additional Borrowers have acceded to the Issuer/Borrower Facility Agreement, the obligations of the Borrowers will be joint and several. The Initial Borrower (and/or its wholly-owned subsidiaries) is/are the beneficial owner(s) of the portfolio of Mortgaged Properties and other assets, undertakings and rights relating thereto (the "**Securitisation Estate**") which, with effect from the Fourth Closing Date, will include the Further Mortgaged Properties. Presently, the only Borrower is the Initial Borrower.
Securitisation Group Parent	Greene King Retailing Parent Limited (the "**Securitisation Group Parent**") is a private limited company incorporated under the laws of England and Wales with company number 05265454 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. The entire issued share capital of the Securitisation Group Parent is held by Greene King.

The Securitisation Group Parent is a bankruptcy remote special purpose company with no employees or premises and limited permitted activities. It is established for the purpose of holding the entire issued share capital of the Initial Borrower and certain related activities. By virtue of the covenants and undertakings given by the Securitisation Group Parent in the Issuer/Borrower Facility Agreement and the Borrower Deed of Charge and the security granted by the Securitisation Group Parent over the issued share capital of the Initial Borrower, the Securitisation Group Parent is restricted in the exercise of its control over the Initial Borrower.

The Securitisation Group Parent together with the Initial Borrower, any Additional Borrowers and the Sapphire Companies are referred to as the "**Obligors**" **(**provided that references to the Obligors shall not include the Sapphire Companies once released from their obligations under the Transaction Documents on the Fourth Closing Date) and together with the Borrowers and their direct and indirect subsidiaries are referred to as the "**Securitisation Group**".

Greene King

Greene King plc ("**Greene King**") is the parent company of the Securitisation Group Parent. Further details in relation to Greene King are set out in the section entitled *"Details of Key Member Companies of the Greene King Group – Companies outside the Securitisation Group"* below. Greene King together with each of its direct and indirect subsidiaries (including the Initial Borrower) are referred to in this Prospectus as the "**GK Group**".

On the First Closing Date, Greene King, pursuant to a security deed entered into between, *inter alios*, Greene King, the Initial Borrower and the GK Security Trustee (the "**GK Security Deed**", which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time, including, for the avoidance of doubt, as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on the Fourth Closing Date), granted to the GK Security Trustee first fixed security (which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors) over the entire issued share capital of the Securitisation Group Parent and over all its right, title and interest in, to and under the Initial Borrower Subordinated Loan Agreement as security for certain of its obligations under the Tax Deed of Covenant (as to which see the section entitled *"Description of the Borrower Transaction Documents – Tax Deed of Covenant"* below). The security granted by Greene King pursuant to the GK Security Deed will be released on the earlier of the date on which the Borrower Secured Liabilities and the Issuer Secured Liabilities have been satisfied in full and the date on which the relevant Tax Deed of Covenant obligations have either ceased to be contingent liabilities or have been discharged (as more particularly described in *"Description of the Borrower Transaction Documents – Tax Deed of Covenant"* below).

Greene King will not guarantee any obligation of any Obligor under the Issuer/Borrower Facility Agreement or any obligation of the Issuer in respect of the Notes (including the Fourth Issue Notes).

Note Trustee

HSBC Trustee (C.I.) Limited whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands (in such capacity, the "**Note Trustee**") has been appointed as trustee for the holders from time to time of the Original Notes pursuant to a trust deed dated the First Closing Date (the "**Original Note Trust Deed**") between the Issuer and the Note Trustee constituting the Original Notes, as trustee for the holders from time to time of the Second Issue Notes pursuant to a supplemental note trust deed dated the Second Closing Date between the Issuer and the Note Trustee (the "**First**

Supplemental Note Trust Deed") to represent the interests of the holders of the Second Issue Notes and as trustee for the holders from time to time of the Third Issue Notes pursuant to a supplemental note trust deed dated the Third Closing Date between the Issuer and the Note Trustee (the "**Second Supplemental Note Trust Deed**") to represent the interests of the holders of the Third Issue Notes. The Note Trustee will be appointed pursuant to a third supplemental note trust deed dated the Fourth Closing Date between the Issuer and the Note Trustee (the "**Third Supplemental Note Trust Deed**", and together with the Original Note Trust Deed, the First Supplemental Note Trust Deed and the Second Supplemental Note Trust Deed, the "**Note Trust Deed**") as trustee to represent the interests of the holders of the Fourth Issue Notes.

Issuer Security Trustee

HSBC Trustee (C.I.) Limited, whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands (in such capacity, the "**Issuer Security Trustee**") has been appointed to hold on trust for all the Issuer Secured Creditors (and upon the occurrence of a Note Event of Default will be entitled to enforce) the security granted by the Issuer pursuant to the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge and will also hold on trust the security granted under the Third Supplemental Issuer Deed of Charge. The Issuer Security Trustee will be entitled to enforce the security granted in its favour thereunder.

Borrower Security Trustee

HSBC Trustee (C.I.) Limited whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands (in such capacity, the "**Borrower Security Trustee**") holds on trust for all the Borrower Secured Creditors, including the Issuer (and upon the occurrence of a Loan Event of Default will be entitled to enforce) the security granted by the Obligors under the Borrower Security Documents, pursuant to a deed of charge (the "**Original Borrower Deed of Charge**") between the Obligors, the Borrower Security Trustee and the Borrower Secured Creditors dated the First Closing Date, as the same was supplemented by a supplemental deed of charge (the "**First Supplemental Borrower Deed of Charge**") between the Obligors and the Borrower Security Trustee dated the Second Closing Date and as was further supplemented by a second supplemental deed of charge (the "**Second Supplemental Borrower Deed of Charge**") between the Obligors and the Borrower Security Trustee dated the Third Closing Date and by supplemental mortgages dated 19 September 2005, 10 August 2006, 31 March 2007, 6 September 2007, 14 March 2008, 2 May 2008, 19 January 2010, 24 March 2010, 29 April 2010, 4 February 2011, 15 July 2011, 8 August 2011, 26 April 2012, 28 April 2013, 2 May 2014, 8 May 2014, 2 June 2014, 6 June 2014 and 2 March 2015 between the Initial Borrower and the Borrower Security Trustee (the "**Initial Borrower Supplemental Mortgages**"). The same will be further supplemented by a third supplemental deed of charge (the "**Third Supplemental Borrower Deed of Charge**" and together with the Original Borrower Deed of Charge, the First Supplemental Borrower Deed of Charge, the Second Supplemental Borrower Deed of Charge and the Initial Borrower Supplemental Mortgages, the "**Borrower Deed of Charge**") between the Obligors and the Borrower Security Trustee dated the Fourth Closing Date.

GK Security Trustee

HSBC Trustee (C.I.) Limited, whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands (in such capacity, the "**GK Security Trustee**") holds (and, if, *inter alia*, Greene King is in breach of its secured obligations under the Tax Deed of Covenant, will be entitled to enforce) the security granted by Greene King under the GK Security Deed on trust for, *inter alios*, the Issuer and the Obligors.

Principal Paying Agent and Agent Bank

HSBC Bank plc ("**HSBC**"), acting through its office at 8 Canada Square, London E14 5HQ has been appointed to provide certain services to the Issuer as principal paying agent (in such capacity, the "**Principal Paying Agent**") and

	agent bank (in such capacity, the “**Agent Bank**”) pursuant to an agency agreement made between the Issuer, the Paying Agents, the Agent Bank, the Note Trustee and the Issuer Security Trustee dated on or about the First Closing Date, as the same may be amended and restated from time to time (including, for the avoidance of doubt, on the Fourth Closing Date) (the “**Agency Agreement**”).
Irish Paying Agent	HSBC Institutional Trust Services (Ireland) Limited, acting through its office at 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland is the Irish paying agent (the “**Irish Paying Agent**” and, together with the Principal Paying Agent and any other paying agents appointed pursuant to the Agency Agreement, the “**Paying Agents**”) and has been appointed pursuant to the Agency Agreement.
Liquidity Facility Providers	RBS, acting through its office at 135 Bishopsgate, London EC2M 3UR (in such capacity, a “**Liquidity Facility Provider**”) currently provides a liquidity facility (a “**Liquidity Facility**”) to the Issuer pursuant to a liquidity facility agreement between, *inter alios*, the Issuer, RBS as a Liquidity Facility Provider and the Issuer Security Trustee dated the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and which will be further amended and restated on or about the Fourth Closing Date (such agreement as extended, amended, restated, supplemented and/or novated from time to time including as amended and restated on the Fourth Closing Date being referred to in this Prospectus as a “**Liquidity Facility Agreement**”). RBS as a Liquidity Facility Provider will continue to provide a Liquidity Facility in relation to all the Notes. HSBC, acting through its office at 8 Canada Square, London E14 5HQ (in such capacity, a “**Liquidity Facility Provider**”) will provide from and including the Fourth Closing Date a new liquidity facility (a “**Liquidity Facility**”) to the Issuer pursuant to a liquidity facility agreement between, *inter alios*, the Issuer, HSBC as a Liquidity Facility Provider and the Issuer Security Trustee dated the Fourth Closing Date (such agreement as extended, amended, restated, supplemented and/or novated from time to time being referred to in this Prospectus as a “**Liquidity Facility Agreement**”). HSBC as a Liquidity Facility Provider will provide a Liquidity Facility in relation to the Class A Notes only. Other banks may become Liquidity Facility Providers and provide Liquidity Facilities in the future in relation to any or all of the Notes. The Issuer will be required to maintain any liquidity facility with a bank which has ratings assigned to its short-term debt obligations of at least “F1” by Fitch and at least “A-1 by S&P (the “**Requisite Liquidity Bank Rating**”). HSBC has, on the date of this Prospectus, the Requisite Liquidity Bank Rating. RBS does not have the Requisite Liquidity Bank Rating. RBS has ratings assigned to it of “F2” by Fitch and “A-2” by S&P.
Swap Counterparties	RBS, acting through its office at 135 Bishopsgate, London EC2M 3UR and Abbey National Treasury Services plc (“**ANTS**”), acting through its office at 2 Triton Square, Regent’s Place, London NW1 3AN (in such capacity, each a “**Swap Counterparty**” and together, the “**Swap Counterparties**”). On the First Closing Date, the Second Closing Date and the Third Closing Date, the Issuer entered into a series of interest rate swap transactions, in each case, pursuant to an ISDA Master Agreement (an “**Interest Rate Swap Agreement**” which expression shall, where the context so admits, include the schedule and any annex thereto and any confirmation entered into thereunder and any other interest rate swap agreement(s) between the Issuer and any swap counterparty in connection with the issue of Further Class A1 Notes, Further Class A3 Notes, Further Class A5 Notes, Further Class B1 Notes, Further Class B2 Notes or New Notes (if applicable) and any replacement interest rate

swap agreement) with RBS as a Swap Counterparty, in order to hedge the Issuer's interest rate exposure in relation to the floating rate of interest due under the Class A1 Notes, the Class A3 Notes, the Class A5 Notes and the Class B2 Notes and, on and following the Class B1 Step-Up Date, the Class B1 Notes (or any Further Class A1 Notes, Further Class A3 Notes, Further Class A5 Notes, Further Class B1 Notes, Further Class B2 Notes or New Notes (as applicable)).

On 16 December 2015, the Issuer entered into an Interest Rate Swap Agreement with ANTS as a Swap Counterparty, whereupon RBS novated its rights and obligations in respect of the swap transactions under the Interest Rate Swap Agreements in respect of the Class A1 Notes, the Class A3 Notes, the Class B1 Notes and the Class B2 Notes to ANTS.

The Issuer will be required to ensure that any swap agreement entered into by it in connection with the Notes is entered into with an entity having the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Short-Term Rating and the Minimum Fitch Long-Term Rating. ANTS, but not RBS (which bears the ratings described under "Liquidity Facility Providers"), has, on the date of this Prospectus, at least the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Short-Term Rating and the Minimum Fitch Long-Term Rating.

"**Minimum S&P Swap Counterparty Ratings**" means, in respect of any person, either:

(a) such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "A-1" by S&P or, if such person's short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P, such person's long-term unsecured and unguaranteed debt obligations being rated at least "A+" by S&P; or

(b) if such person is a bank, broker/dealer, insurance company, structured investment vehicle or derivative product company, such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "A-2" by S&P or, if such person's short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P, such person's long-term unsecured and unguaranteed debt obligations being rated at least "BBB+" by S&P and in each case such person provides collateral equal to 100 per cent. of the mark-to-market value of the swap transactions entered into with such person.

"**Minimum Fitch Long-Term Rating**" means, in respect of any person, such person's long-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "A" by Fitch.

"**Minimum Fitch Short-Term Rating**" means, in respect of any person, such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "F1" by Fitch.

Account Banks

Lloyds Bank plc, acting through its office at 10 Gresham Street, London EC2V 7AE (the "**Initial Account Bank**") has been appointed as an Account Bank to certain of the Obligors and the Issuer and currently maintains, and will continue to maintain, certain bank accounts on behalf of such Obligors and the Issuer and Bank of Scotland plc, acting through its office at 39 St Andrew Square, Edinburgh EH2 2YR (the "**Additional Account Bank**" and, together with the Initial Account Bank, the "**Account Banks**") has been appointed as an Account Bank to certain of the Obligors and currently maintains, and will continue to maintain, certain bank accounts on behalf of such Obligors, in each case, pursuant to an account bank and cash management agreement (the "**Account Bank and Cash Management Agreement**", which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time (including, for the avoidance of doubt, as amended and restated on the Fourth Closing Date) between the Obligors, the Issuer, the Account Banks, the Cash Manager, the Borrower Security Trustee and the Issuer Security Trustee.

The Issuer will be required to maintain the Issuer Accounts with a bank which has the Minimum Short-Term Ratings. Lloyds Bank plc has, on the date of this Prospectus, the Minimum Short-Term Ratings.

Cash Manager

Greene King Brewing and Retailing Limited ("**GKB&R**") has been appointed as cash manager to the Obligors and the Issuer (in such capacity, the "**Cash Manager**") and provides cash management, investment and certain administration services to the Obligors and the Issuer pursuant to the Account Bank and Cash Management Agreement. Further details in relation to GKB&R are set out in the section entitled *"Details of Key Member Companies of the Greene King Group – Companies outside the Securitisation Group"*.

Supply Co

GKB&R (in such capacity "**Supply Co**") procures the supply and distribution of certain goods (including food, beer, spirits and other drinks) and services to the Initial Borrower pursuant to the terms of an intra group supply agreement (the "**Intra Group Supply Agreement**" which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time, including, for the avoidance of doubt, as amended and restated on the Third Closing Date) entered into on or about the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date, between the Initial Borrower, Supply Co and the Borrower Security Trustee. See the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – Intra Group Supply Agreement"* below.

On the First Closing Date, Supply Co granted or procured the grant to the Initial Borrower of certain non-exclusive licences to use all of the intellectual property rights used in the business of the Securitisation Group as at such date. On the Second Closing Date, Supply Co granted or procured the grant to the Initial Borrower of certain further non-exclusive licences to use certain additional intellectual property rights to be used in the business of the Securitisation Group from the Second Closing Date. On the Third Closing Date, Supply Co granted or procured the grant to the Initial Borrower of certain further non-exclusive licences to use certain additional intellectual property rights to be used in the business of the Securitisation Group from the Third Closing Date. On the Fourth Closing Date, Supply Co will grant or will procure the grant to the Initial Borrower of certain further non-exclusive licences to use certain additional intellectual property rights to be used in the business of the Securitisation Group from the Fourth Closing Date. In addition, Supply Co has granted (and in respect of the further intellectual property rights to be licensed to the Initial Borrower on the Fourth Closing Date, will grant) to the Initial Borrower a call option in respect of all of Supply Co's right, title and interests in and to intellectual property rights used in the business of the Securitisation Group other than in respect of the "GREENE KING", "1799", "Belhaven", "Hardys & Hansons", "Hardy's" and "Hardys" marks (and related logos) and certain domain names. The Initial Borrower is entitled (with the consent of the Borrower Security Trustee) to exercise the IP Option on the occurrence of certain events (including certain pre-insolvency triggers and certain insolvency events in respect of Supply Co). Supply Co will also grant certain non-exclusive sub-licences to use certain intellectual property rights previously linked to Spirit Pub Company plc, which will not be subject to the IP Option. See the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – IP Licences and Related Agreements"* below.

Management Co

GKB&R (in such capacity, "**Management Co**" and together with Supply Co, the "**Services Companies**") provides the Initial Borrower with, or is required to procure the provision to the Initial Borrower of, central management and administration services together with unit level staff pursuant to the terms of a management services agreement (the "**Management Services Agreement**" which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time) entered into on the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date, between the Initial Borrower, Management Co, the Employee Cos and the Borrower Security Trustee. See the section entitled *"Description of the Borrower Transaction Documents – Services Agreements – Management Services Agreement"* below.

DESCRIPTION OF THE BORROWER TRANSACTION DOCUMENTS

The following is an overview of certain provisions of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the Borrower Transaction Documents.

Issuer/Borrower Facility Agreement

The Issuer/Borrower Facility Agreement will be amended and restated on the Fourth Closing Date pursuant to a master deed of amendment to be entered into on or about the Fourth Closing Date between, *inter alios*, the Issuer, the Obligors, the Agents, the Liquidity Facility Providers and the Swap Counterparties (the "**Third Master Amendment Deed**"). The terms of the Issuer/Borrower Facility Agreement will remain substantially the same in all material respects save for the principal amounts of the Term Advances (as defined below) which have been made and/or will be made thereunder and the rates of interest applicable thereto and except as otherwise described below.

Term Facilities

Initial Term Facilities, Second Term Facilities, Third Term Facility and Fourth Term Facilities

Following the Fourth Closing Date, the following will remain outstanding under the Issuer/Borrower Facility Agreement (other than the Third Term AB1 Facility and corresponding Third Term AB1 Advance, which the Borrower shall prepay and cancel in full on or around the Fourth Closing Date):

(a) a secured term loan facility in a maximum aggregate principal amount of £150,000,000 (the "**Initial Term A1 Facility**" and the corresponding cash advance under the Initial Term A1 Facility, the "**Initial Term A1 Advance**");

(b) a secured term loan facility in a maximum aggregate principal amount of £320,000,000 (the "**Initial Term A2 Facility**" and the corresponding cash advance under the Initial Term A2 Facility, the "**Initial Term A2 Advance**" and, together with the Initial Term A1 Advance, the "**Initial Term A Advances**");

(c) a secured term loan facility in a maximum aggregate principal amount of £130,000,000 (the "**Initial Term B1 Facility**" and the corresponding cash advance under the Initial Term B1 Facility, the "**Initial Term B1 Advance**" and, together with the Initial Term A Advances, the "**Initial Term Advances**");

(d) a secured term loan facility in a maximum aggregate principal amount of £170,000,000 (the "**Second Term A3 Facility**" and the corresponding cash advance under the Second Term A3 Facility, the "**Second Term A3 Advance**");

(e) a secured term loan facility in a maximum aggregate principal amount of £265,000,000 (the "**Second Term A4 Facility**" and the corresponding cash advance under the Second Term A4 Facility, the "**Second Term A4 Advance**"), provided that the Second Term A4 Advance made thereunder was made at a discount of 0.003 per cent. of the total amount thereof, the amount of such discount being deemed to be advanced by the Issuer to the Initial Borrower;

(f) a secured term loan facility in a maximum principal amount of £115,000,000 (the "**Second Term B2 Facility**" and, together with the Initial Term B1 Facility, the "**Term B Facilities**" and the corresponding cash advance under the Second Term B2 Facility, the "**Second Term B2 Advance**" and, together with the Initial Term B1 Advance, the "**Term B Advances**");

(g) a secured term loan facility in a maximum aggregate principal amount of £290,000,000 (the "**Third Term A5 Facility**" and the corresponding cash advance under the Third Term A5 Facility, the "**Third Term A5 Advance**"); and

(h) a secured term loan facility in a maximum aggregate principal amount of £60,000,000 (the "**Third Term AB1 Facility**" and corresponding cash advance under the Third Term AB1 Facility, the "**Third Term AB1 Advance**").

The term loan facilities described in paragraphs (a) to (c) above (the "**Initial Term Advances**") were fully drawn by the Initial Borrower on the First Closing Date. The term loan facilities described in paragraphs (d) to (f) above (the "**Second Term Advances**") were fully drawn by the Initial Borrower on the Second Closing Date. The term loan facilities described in paragraphs (g) and (h) above (the "**Third Term Advances**") were fully drawn by the Initial Borrower on the Third Closing Date.

In addition, the Issuer/Borrower Facility Agreement will provide that, subject to the satisfaction of certain conditions precedent as to drawing, the following new term loan facilities will be made available to the Initial Borrower by way of cash advance under the Issuer/Borrower Facility Agreement on the Fourth Closing Date (the "**Fourth Term Advances**") a secured term loan facility in a maximum aggregate principal amount of £300,000,000 (the "**Fourth Term A6 Facility**" and, together with the Initial Term A1 Facility, the Initial Term A2 Facility, the Second Term A3 Facility, the Second Term A4 Facility and the Third Term A5 Facility, the "**Term A Facilities**" and the corresponding cash advance under the Fourth Term A6 Facility, the "**Fourth Term A6 Advance**" and, together with the Initial Term A1 Advance, the Initial Term A2 Advance, the Second Term A3 Advance, the Second Term A4 Advance and the Third Term A5 Advance, the "**Term A Advances**") and a secured term loan facility in a maximum aggregate principal amount of £40,000,000 (the "**Fourth Term AB2 Facility**" and the corresponding advance under the Fourth Term AB2 Facility, the "**Fourth Term AB2 Advance**").

Use of Further Proceeds

The Initial Borrower will apply the proceeds of the Fourth Term Advances on the Fourth Closing Date as set out in the section entitled *"Use of Proceeds"* below.

Additional Term Facilities

The Issuer/Borrower Facility Agreement provides that a Borrower may also, at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee and the Rating Agencies) request a further term facility (a "**Further Term Facility**", and each corresponding cash advance thereunder, a "**Further Term Advance**") and/or a new term facility (a "**New Term Facility**" and, each corresponding cash advance thereunder, a "**New Term Advance**"). Each of the Further Term Facilities and New Term Facilities are referred to as an "**Additional Term Facility**". Further Term Advances and New Term Advances are referred to as "**Additional Term Advances**".

A reference to a "**Term Facility**" in this Prospectus is, unless the context requires otherwise, to an Initial Term Facility, a Second Term Facility, a Third Term Facility, a Fourth Term Facility, a Further Term Facility and/or a New Term Facility and a reference to a "**Term Advance**" in this Prospectus is, unless the context requires otherwise, to an Initial Term Advance, a Second Term Advance, a Third Term Advance, a Fourth Term Advance, a Further Term Advance and/or a New Term Advance and a reference to a "Term A1 Advance", a "Term A2 Advance", a "Term A3 Advance", a "Term A4 Advance", a "Term A5 Advance", "Term A6 Advance", a "Term AB2 Advance", a "Term B1 Advance" or a "Term B2 Advance" shall be construed accordingly. Any reference to a "**Term A Advance**" shall be a reference to a Term A1 Advance, a Term A2 Advance, a Term A3 Advance, a Term A4 Advance, a Term A5 Advance and/or a Term A6 Advance. Any reference to a "**Term B Advance**" shall be a reference to a Term B1 Advance and/or a Term B2 Advance.

A Further Term Advance under a Further Term Facility will be consolidated, form a single series and rank *pari passu* with an existing Term Advance. Unless the context requires otherwise, a reference to an Initial Term Facility, a Second Term Facility, a Third Term Facility, a Fourth Term Facility, an Initial Term Advance, a Second Term Advance, a Third Term Advance or a Fourth Term Advance shall, in this section of this Prospectus, include a Further Term Facility granted or a Further Term Advance given, in each case, to a Borrower.

A New Term Advance under a New Term Facility may rank *pari passu* with or after any existing Term Advance and may rank ahead of any existing Term Advance other than the Term A1 Advances, the Term A2 Advances, the Term A3 Advances, the Term A4 Advances, the Term A5 Advances and the Term A6 Advances.

Each New Term Advance will be financed by the issue of New Notes by the Issuer. Each Further Term Advance will be financed by the issue of Further Notes by the Issuer.

No Additional Term Advance will be permitted to be made by the Issuer unless, *inter alia*, the following conditions precedent are satisfied:

(a) the aggregate principal amount of the relevant Additional Term Facility drawn at any one time is for a minimum aggregate principal amount of £5,000,000;

(b) no Loan Event of Default or Potential Loan Event of Default has occurred and is continuing (and has not been waived) at the relevant drawdown date or would result from the making of the Additional Term Advance;

(c) execution of any such additional documents as are required by the Borrower Security Trustee to grant to the Borrower Security Trustee (on behalf of itself and the Borrower Secured Creditors) security over any new Permitted Business, other assets and/or shares acquired in accordance with the conditions set out in the section entitled *"Covenants regarding the acquisition and substitution of Permitted Businesses"* below on terms satisfactory to the Borrower Security Trustee, including a supplemental deed to the Borrower Deed of Charge where appropriate;

(d) in the event that the Additional Term Advance is to be used to fund or refinance the acquisition of any new Permitted Business, other assets and/or shares or undertakings in accordance with the conditions set out in the section entitled *"Covenants regarding the acquisition and substitution of Permitted Businesses"* below, receipt by the Borrower Security Trustee of all deeds and documents necessary or ancillary to evidence title to such new Permitted Business, other assets and/or shares or undertakings in a form satisfactory to the Borrower Security Trustee or confirmation that the same are held to the order of the Borrower Security Trustee;

(e) save as received pursuant to paragraph (d) above, receipt of any authorisation or other documents, certificates of title, valuers' reports, director's certificates, opinions and/or other supporting or ancillary documentation or assurance which the Borrower Security Trustee considers to be necessary in connection with the entry into and performance of, and the transactions contemplated by, any of the documents to be entered into by a Borrower or other Obligor in connection with an Additional Term Advance, or for the validity or enforceability of any such documents;

(f) the Cash Manager confirms to the Issuer and the Borrower Security Trustee in writing that the Issuer has available to it on the relevant drawdown date sufficient proceeds from an issue of Additional Notes to permit the Issuer to make the relevant Additional Term Advance; and

(g) the Rating Agencies have confirmed that the then current rating of the Notes will not be adversely affected by the making of the relevant Additional Term Advance or by the issue of the related Additional Notes.

Additional Borrowers

The Issuer/Borrower Facility Agreement permits the Borrower Security Trustee to agree to the accession of any Eligible Borrower as an Additional Borrower, provided that the Ratings Test is satisfied after any such accession. An "**Eligible Borrower**" is, at any time, a company incorporated and tax resident in the United Kingdom that is a direct or indirect subsidiary of the Securitisation Group Parent (including as a result of a Permitted Acquisition).

An Additional Borrower will only be entitled to request an Additional Term Facility if, at the time at which that request is made, certain conditions precedent are satisfied, including that an opinion is delivered to the Borrower Security Trustee and the Issuer Security Trustee, in form and substance satisfactory to such parties, confirming that such Additional Borrower is permitted under the law at that time in force in the United Kingdom to make payments of interest on that Additional Term Advance without withholding or deduction for or on account of any tax. See the section entitled *"Gross-up on Deduction or Withholding by the Obligors"* below.

Obligations of Obligors

Under the terms of the Issuer/Borrower Facility Agreement, each Obligor guarantees to the Issuer and the Borrower Security Trustee (for itself and on behalf of the other Borrower Secured Creditors) each and every obligation of each other Obligor under the Issuer/Borrower Facility Agreement (including obligations of the Initial Borrower in respect of payments of principal and interest in respect of both the Original Notes, the Second Issue Notes, the Third Issue Notes and the Fourth Issue Notes, the Initial Facility Fee, the Second Facility Fee, the Third Facility Fee, the Fourth Facility Fee and the Ongoing Facility Fee). Where any Obligor makes a payment under such guarantee in respect of the obligations of another Obligor, that payment will create an unsecured and subordinated debt obligation owed by that Obligor to the paying Obligor.

Interest

The rate of interest in respect of the Initial Term A1 Advance is:

(a) up to (but excluding) the Interest Payment Date falling in March 2012 (the "**Class A1 Step-Up Date**"), the aggregate of (i) LIBOR (as defined in the Conditions), (ii) a margin of 0.38 per cent. per annum (the "**Term A1 Margin**") and (iii) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR and the Term A1 Margin; and

(b) from and including the Class A1 Step-Up Date, the aggregate of (i) LIBOR, (ii) the Term A1 Margin, (iii) an additional margin of 0.57 per cent. per annum (the "**Term A1 Step-Up Margin**", that part of any interest referable to the Term A1 Step-Up Margin and any interest accrued thereon being the "**Term A1 Step-Up Amounts**") and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term A1 Margin and the Term A1 Step-Up Margin,

at any time, the then applicable margin as referred to in paragraph (a)(iii) or (b)(iv) above being the "**Term A1 Profit Margin**".

The rate of interest in respect of the Initial Term A2 Advance is the aggregate of (i) 5.318 per cent. per annum and (ii) a margin (the "**Term A2 Profit Margin**") equal to 0.01 per cent. per annum of 5.318 per cent. per annum.

The rate of interest in respect of the Second Term A3 Advance is:

(a) up to (but excluding) the Interest Payment Date falling in June 2013 (the "**Class A3 Step-Up Date**") the aggregate of (i) LIBOR, (ii) a margin of 0.50 per cent. per annum (the "**Term A3 Margin**") and (iii) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR and the Term A3 Margin; and

(b) from and including the Class A3 Step-Up Date, the aggregate of (i) LIBOR, (ii) the Term A3 Margin, (iii) an additional margin of 0.75 per cent. per annum (the "**Term A3 Step-Up Margin**"), that part of any interest referable to the Term A3 Step-Up Margin and any interest accrued thereon being the ("**Term A3 Step-Up Amounts**") and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term A3 Margin and the Term A3 Step-Up Margin,

at any time, the then applicable margin referred to in paragraph (a)(iii) or (b)(iv) above being the "**Term A3 Profit Margin**".

The rate of interest in respect of the Second Term A4 Advance is the aggregate of (i) 5.116 per cent. per annum and (ii) a margin (the "**Term A4 Profit Margin**") equal to 0.01 per cent. per annum of 5.106 per cent. per annum.

The rate of interest in respect of the Third Term A5 Advance is:

(a) up to (but excluding) the Interest Payment Date falling in June 2013 (the "**Class A5 Step-Up Date**"), the aggregate of (i) LIBOR, (ii) a margin of 1.00 per cent. per annum (the "**Term A5 Margin**") and (iii) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR and the Term A5 Margin; and

(b) from and including the Class A5 Step-Up Date, the aggregate of (i) LIBOR, (ii) the Term A5 Margin, (iii) an additional margin of 1.50 per cent. per annum (the "**Term A5 Step-Up Margin**" and that part of any interest referable to the Term A5 Step-Up Margin and any interest accrued thereon being the "**Term A5 Step-Up Amounts**") and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term A5 Margin and the Term A5 Step-Up Margin,

at any time, the then applicable margin referred to in paragraph (a)(iii) or (b)(iv) above being the "**Term A5 Profit Margin**".

The rate of interest in respect of the Fourth Term A6 Advance will be 4.0643 per cent. per annum.

The rate of interest in respect of the Fourth Term AB2 Advance will be 6.0552 per cent. per annum.

The rate of interest in respect of the Initial Term B1 Advance is:

(a) up to (but excluding) the Interest Payment Date falling in March 2020 (the "**Class B1 Step-Up Date**"), the aggregate of (i) 5.702 per cent. per annum and (ii) a margin equal to 0.01 per cent. per annum of 5.702 per cent. per annum; and

(b) from and including the Class B1 Step-Up Date, the aggregate of (i) LIBOR, (ii) a margin of 0.72 per cent. per annum (the "**Term B1 Margin**"), (iii) an additional margin of 1.08 per cent. per annum (the "**Term B1 Step-Up Margin**", that part of any interest referable to the Term B1 Step-Up Margin and any interest accrued thereon being the "**Term B1 Step-Up Amounts**", and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term B1 Margin and the Term B1 Step-Up Margin,

at any time, the then applicable margin referred to in paragraph (a)(ii) or (b)(iv) above being the "**Term B1 Profit Margin**".

The rate of interest in respect of the Second Term B2 Advance is:

(a) up to (but excluding) the Interest Payment Date falling in June 2013 (the "**Class B2 Step-Up Date**"), the aggregate of (i) LIBOR, (ii) a margin of 0.83 per cent. per annum (the "**Term B2 Margin**") and (iii) a further margin equal to 0.01 per cent. of the aggregate of LIBOR and the Term B2 Margin; and

(b) from and including the Class B2 Step-Up Date, the aggregate of (i) LIBOR, (ii) the Term B2 Margin, (iii) an additional margin of 1.25 per cent. per annum (the "**Term B2 Step-Up Margin**", that part of any interest referable to the Term B2 Step-Up Margin and any interest accrued thereon being the "**Term B2 Step-Up Amounts**") and (iv) a further margin equal to 0.01 per cent. per annum of the aggregate of LIBOR, the Term B2 Margin and the Term B2 Step-Up Margin,

at any time, the then applicable margin referred to in paragraph (a)(iii) or (b)(iv) above being the "**Term B2 Profit Margin**".

The Initial Borrower is permitted to set off any net payment owed to it on any Interest Payment Date by the Issuer under the Issuer/Borrower Swap Agreement against its obligation to pay the floating rates of interest on the Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Second Term B2 Advance and, on and following the Class B1 Step-Up Date, the Initial Term B1 Advance on the corresponding Loan Payment Date. See further the section entitled *"Issuer/Borrower Swap Agreement"* below.

The interest rate payable per annum on any outstanding Additional Term Advances will be equal to:

(a) the rate of interest (including any margin) payable by the Issuer on the relevant issue of the Additional Notes made or to be made by the Issuer to fund such Additional Term Advance; or

(b) if the Issuer has entered into hedging arrangements in relation to some or all of such Additional Notes, the rate of interest (including any margin) calculated on the basis that matches the basis on which payments are to be made by the Issuer to the counterparty under such hedging arrangements.

Interest on the Term Advances is payable by reference to successive interest periods (each, a "**Loan Interest Period**") which match in duration the interest periods applicable to the corresponding Notes under Condition 6 (*Interest*). Interest on Term Advances will be payable in arrear in pounds sterling in respect of the aggregate principal debt outstanding of the relevant Term Advances on 15 June, 15 September, 15 December and 15 March in each year (or, if such day is not a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London (each a "**Business Day**"), the next succeeding Business Day unless such day falls in the next month, in which case the preceding Business Day) (each, a "**Loan Payment Date**").

Interest accrues from day to day and shall be calculated:

(a) in the case of the Initial Term Advances, on the basis that matches the basis of calculation of interest due on the corresponding class of Original Notes;

(b) in the case of the Second Term Advances, on the basis that matches the basis of calculation of interest due on the corresponding class of Second Issue Notes;

(c) in the case of the Third Term Advances, on the basis that matches the basis of calculation of interest due on the corresponding class of Third Issue Notes;

(d) in the case of the Fourth Term Advances, on the basis that matches the basis of calculation of interest due to the corresponding class of Fourth Issue Notes; and

(e) in the case of any Additional Term Advance, on the basis that matches the interest due on the corresponding class of Additional Notes issued by the Issuer to fund such Additional Term Advance after taking account of, in respect of New Notes with interest payable at a variable rate, any hedging agreement applicable to the New Notes (which shall be agreed between the relevant Borrower, the Issuer and the Borrower Security Trustee prior to the issue of the relevant New Notes).

Facility Fees

In consideration of the Issuer making the Initial Term Facilities, the Second Term Facilities and the Third Term Facility available, the Initial Borrower paid to the Issuer on (i) the First Closing Date an initial facility fee in an amount equal to, *inter alia*, all fees, costs and expenses incurred by the Issuer on or before the First Closing Date in connection with the issue of the Original Notes, the granting of the Initial Term Advances and the negotiation, preparation and execution of each Transaction Document (the "**Initial Facility Fee**") together with a one-off arrangement fee in an amount equal to £22,000, (ii) the Second Closing Date a second facility fee in an amount equal to, *inter alia*, all fees, costs and expenses incurred by the Issuer on or before the Second Closing Date in connection with the issue of the Second Issue Notes, the granting of the Second Term Advances and the negotiation, preparation and execution of each Transaction Document to be entered into on the Second Closing Date (the "**Second Facility Fee**") and (iii) the Third Closing Date a third facility fee in an amount equal to, *inter alia*, all fees, costs and expenses incurred by the Issuer on or before the Third Closing Date in connection with the issue of the Third Issue Notes, the granting of the Third Term Advance and the negotiation, preparation and execution of each Transaction Document to be entered into on the Third Closing Date (the "**Third Facility Fee**").

In consideration of the Issuer making the Fourth Term Facilities available, the Initial Borrower will be required to pay to the Issuer on the Fourth Closing Date a fourth facility fee in an amount equal to, *inter alia*, all fees, costs and expenses incurred by the Issuer on or before the Fourth Closing Date in connection with the issue of the Fourth Issue Notes, the granting of the Fourth Term Advances and the negotiation, preparation and execution of each Transaction Document to be entered into on the Fourth Closing Date (the "**Fourth Facility Fee**").

In addition and pursuant to the terms of the Issuer/Borrower Facility Agreement, the Initial Borrower is obliged to pay (i) an annual amount of £5,000 (the "**Retained Profit Amount**") and (ii) an ongoing facility fee, in each case to the Issuer. The ongoing facility fee will be calculated as an amount equal to all costs and expenses of the Issuer payable on the corresponding Interest Payment Date (excluding any interest payments or principal repayments on the Notes) (the "**Ongoing Facility Fee**") in an amount equal to the following (without double counting in respect of any of the matters referred to below):

(a) the aggregate of all amounts due and payable by the Issuer:

(i) on an Interest Payment Date pursuant to paragraphs (a), (b), (c), (d), (e), and (1) of the Issuer Pre-Acceleration Priority of Payments (but only, in relation to amounts due and payable by the Issuer pursuant to paragraphs (e) and (l)(ii) of the Issuer Pre-Acceleration Priority of Payments, to the extent that the amounts so payable by the Issuer on that Interest Payment Date exceed the aggregate of the amounts of interest payable on the Loan Payment Date corresponding to such Interest Payment Date by the Borrowers on the Term Advances which have a floating rate of interest and the amounts payable on the Loan Payment Date corresponding to such Interest Payment Date by the Initial Borrower under the Issuer/Borrower Swap Agreement); or

(ii) on any date pursuant to paragraphs (a), (b), (c), (d) and (k) of the *Issuer* Post-Acceleration Priority of Payments (but only, in relation to amounts due and payable by the Issuer pursuant to paragraphs (d) and (k)(ii) of the Issuer Post-Acceleration Priority of Payments, to the extent that the amounts so payable by the Issuer exceed the aggregate of the amounts of interest payable on such date by the Borrowers on the Term Advances which have a floating rate of interest and the amounts payable on such date by the Initial Borrower under the Issuer/Borrower Swap Agreement);

(b) the aggregate of all amounts due and payable by the Issuer on any date (other than on an Interest Payment Date) pursuant to paragraph (b) of the Issuer Pre-Acceleration Priority of Payments;

(c) an amount equal to any VAT arising in respect of any of the amounts referred to in paragraphs (a) and (b) above; and

(d) an amount equal to such amounts as are required by the Issuer to ensure (having regard to the tax treatment of any costs and expenses borne by the Issuer) it is able to make full payment of such costs and expenses,

(the amounts described in paragraphs (a) and (b) above being referred to in this Prospectus as "**Issuer Costs**"), such payments by way of Ongoing Facility Fee to be made on each Loan Payment Date or on such other date as the Issuer may request.

Each Borrower will pay such fees in an allocation as they may determine between them or, failing such determination, such proportion of each payment by way of Ongoing Facility Fee as that part of the aggregate principal amount of the Term Advances advanced to it and outstanding on the date on which the Ongoing Facility Fee is to be paid bears to the aggregate principal amount of the Term Advances outstanding on such date.

In the event that the Issuer is ever in receipt of net amounts in excess of the Issuer Profit Amount, it will pay the excess to the Initial Borrower by way of rebate of the Ongoing Facility Fee.

Gross-up on Deduction or Withholding by the Obligors

All payments to be made by each of the Obligors under the Issuer/Borrower Facility Agreement will be made free and clear of, and without withholding or deduction for or on account of, any tax unless such withholding or deduction is required by law. If any such withholding or deduction is so required, the amount of the payment due from the relevant Obligor will be increased to the extent necessary to ensure that, after that withholding or deduction has been made, the amount received by the Issuer is equal to the amount that it would have received had the relevant Obligor not been required to withhold or deduct an amount for or on account of tax from that payment. If an Obligor is obliged to increase any sum payable by it to the Issuer as a result of that Obligor being required by a change in tax law to make a withholding or deduction from that payment, a Borrower has the right (but no obligation) to prepay all (but not some only) of the outstanding Term Advances advanced to it at par (as to which see the sections entitled *"Prepayment of Term Advances – Voluntary Prepayment due to Change of Tax Law"*, *"Voluntary Prepayment on deduction or withholding by the Issuer"* and *"Prepayment of Additional Term Advances and Purchase of Additional Notes"* below).

Repayment

Scheduled Redemption

Each Initial Term Advance, Second Term Advance and Third Term Advance is repayable, and the Fourth Term Advance will be repayable, in instalments in accordance with a repayment schedule, the amounts of which exactly correspond to the amounts specified in the schedule for the repayment of principal on the corresponding class of Notes, as set out in Condition 7(b) (*Redemption, Purchase and Cancellation – Scheduled Mandatory Redemption in Part*). Scheduled repayments in respect of any Additional Term Advance will be payable in the amounts and on the dates which correspond to the Additional Notes issued to finance the applicable Additional Term Advance.

Final Redemption

Each Initial Term Advance, Second Term Advance and Third Term Advance is, and the Fourth Term Advance will be, repayable in full on the relevant Final Maturity Date, together with all accrued interest and any other outstanding amounts, unless repaid or discharged in full earlier pursuant to the Issuer/Borrower Facility Agreement.

Prepayment of Term Advances

Optional Prepayment in Whole or Part

Subject to the section entitled *"Application of prepayment funds as a result of optional prepayment"* below, prior to the enforcement of the Initial Borrower Security, the Initial Borrower may, on giving not less than seven Business Days' prior written notice to the Issuer and the Borrower Security Trustee, prepay (in whole or part) any Term Advance on a Loan Payment Date, provided that the Initial Borrower pays the amount required to prepay any specified principal amount thereof, calculated as the amount required by the Issuer to prepay principal on the Notes of the corresponding class in an amount equal to the principal amount of the relevant Term Advance to be prepaid, together with any premia payable under Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*) and all accrued and unpaid interest on the Principal Amount Outstanding of the relevant class of Notes up to (but excluding) the date of prepayment and any other amounts due and payable under the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee and provided further that any prepayment of the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B1 Advances or the Term B2 Advances shall only be permitted if on the date of such prepayment the Initial Borrower terminates that part of the swap transaction entered into under the Issuer/Borrower Swap Agreement corresponding to the amount of principal to be prepaid on the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B1 Advances or the Term B2 Advances (as the case may be) and the Initial Borrower pays in full on such date any termination payment then payable by it to the Issuer as a result of such termination under the Issuer/Borrower Swap Agreement.

In addition, the Initial Borrower is only permitted to prepay a Term Advance if it certifies in writing to the Borrower Security Trustee that immediately prior to the date on which it gives such notice of prepayment:

(a) it or one or more of the other Borrowers, as the case may be, has or will have the necessary funds available to:

   (i) make such prepayment on the relevant Loan Payment Date; and

   (ii) satisfy all other amounts which are to be paid in priority to or *pari passu* with the relevant Term Advance pursuant to the Borrower Deed of Charge including amounts payable by it under the Issuer/Borrower Facility Agreement and any applicable termination payment payable in respect of the Issuer/Borrower Swap Agreement to enable the Issuer to pay, on the Interest Payment Date falling on the relevant Loan Payment Date on which the relevant Term Advance is to be prepaid, all other amounts which are to be paid in priority to or *pari passu* with the class of Notes being redeemed (including, for the avoidance of doubt, any termination payment payable by the Issuer to a Swap Counterparty upon any early partial or full termination of the transactions under the relevant Interest Rate Swap Agreement corresponding to any prepayment of the Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Initial Term B1 Advance or the Second Term B2 Advance); and

(b) no Loan Event of Default has occurred and is continuing (and has not been waived) or would occur as a result of such prepayment.

Application of prepayment funds as a result of optional prepayment

If the Term Advances are to be prepaid solely from cash received for that purpose from an entity which is a member of the GK Group but which is not a member of the Securitisation Group (each an "**Excluded Group Entity**") whether by way of a subscription for fully paid-up equity or a fully subordinated loan on terms permitted by the Borrower Security Documents, then the Initial Borrower may make prepayments of any tranche of the Term Advances in any order.

If the prepayment of any Term Advances is not to be prepaid either (i) solely from cash received for that purpose from an Excluded Group Entity by way of subscription for fully paid-up equity or a fully subordinated loan or (ii) from moneys standing to the credit of the Disposal Proceeds Account (as to which see the section entitled *"Covenants regarding disposal of Mortgaged Properties and related matters – Application of Proceeds of Disposals of a Mortgaged Property"* below), the Initial Borrower may:

(a) where the Restricted Payment Condition is satisfied as at the most recent Financial Quarter Date, make prepayments of any tranche of the Term Advances in any order it determines; and

(b) where the Restricted Payment Condition is not satisfied as at the most recent Financial Quarter Date, make prepayments of the Term Advances at its discretion either:

    (i) *pro rata,* in prepayment towards satisfaction of the Term A Advances, the Term AB2 Advance and the Term B Advances; or

    (ii) in the following order:

        (A) *first*, in or towards satisfaction of the Term A Advances;

        (B) *second*, in or towards satisfaction of the Term AB2 Advance; and

        (C) *third*, in or towards satisfaction of the Term B Advances,

    allocating any amount to be applied in prepayment of the Term A Advances under paragraph (i) or (ii) above towards prepayment of the Term A1 Advances, the Term A2 Advances, the Term A3 Advances, the Term A4 Advances, the Term A5 Advances and the Term A6 Advances in such order and in such amounts as the Initial Borrower at its discretion determines and allocating any amount to be applied in prepayment of the Term B Advances under paragraph (i) or (ii) above towards prepayment of the Term B1 Advances and the Term B2 Advances in such order and in such amounts as the Initial Borrower at its discretion determines.

Voluntary Prepayment due to Change of Tax Law

If:

(a) one or more of the Obligors is obliged to pay an increased amount to the Issuer under the Issuer/Borrower Facility Agreement as a result of such Obligor(s) being required by virtue of a change in tax law to make a withholding or deduction for or on account of tax from that payment; or

(b) the Initial Borrower is obliged to pay an increased amount to the Issuer under the Issuer/Borrower Swap Agreement or will receive a reduced amount from the Issuer under the Issuer/Borrower Swap Agreement as a result of the Initial Borrower or the Issuer (as the case may be) being required by virtue of a change in tax law to make a withholding or deduction for or on account of tax from that payment; or

(c) the Issuer claims an amount by way of Ongoing Facility Fee from the Borrowers in respect of increases in Issuer Costs where such claim arises as a result of the introduction of, or any change in or in the interpretation, administration and/or application of, any tax law or regulation after the Fourth Closing Date,

then, subject to the respective obligations of the relevant Obligor(s) and the Issuer to take reasonable steps to mitigate any such event in accordance with the terms of the Issuer/Borrower Facility Agreement, the Initial Borrower may, whilst the circumstance giving rise to the requirement or claim for an amount continues and on giving not less than seven Business Days' prior written notice (such notice to expire on a Loan Payment Date) to the Issuer and the Borrower Security Trustee of its intention to prepay on the Loan Payment Date specified in such notice:

(i) where the relevant event occurring is either (A) of the type described in paragraph (b) above or (B) of the type described in paragraph (c) above and the increase in Issuer Costs arises solely as a result of increases in amounts payable by the Issuer to a Swap Counterparty, prepay all (but not some only) of the outstanding Term A1 Advances, the outstanding Term A3 Advances, the outstanding Term A5 Advances, the outstanding Term B2 Advances and, on and following the Class B1 Step-Up Date, the outstanding Term B1 Advances and in a principal amount equal to the outstanding Term A1 Advances, the outstanding Term A3 Advances, the outstanding Term A5 Advances, the outstanding Term B2 Advances and, on and following the Class B1 Step-Up Date, the outstanding Term B1 Advances and together with accrued but unpaid interest in relation to such outstanding Term Advances up to (but excluding) the date of prepayment and any other amounts owing in respect of the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee; and

(ii) where the relevant event occurring is either (A) of the type described in paragraph (a) above or (B) of the type described in paragraph (c) above and the increase in Issuer Costs arises other than as a result of increases in amounts payable by the Issuer to a Swap Counterparty, prepay all (but not some only) of all outstanding Term Advances in a principal amount equal to the outstanding Term Advances together with accrued but unpaid interest in relation to such outstanding Term Advances up to (but excluding) the relevant date of prepayment and any other amounts owing in respect of the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee,

provided that any such prepayment shall only be permitted if on the date of such prepayment the Initial Borrower terminates that part of the swap transaction entered into under the Issuer/Borrower Swap Agreement corresponding to the amount of principal to be prepaid on the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B1 Advances or the Term B2 Advances (as the case may be) and the Initial Borrower pays in full on such date any termination payment then payable by it to the Issuer as a result of such termination under the Issuer/Borrower Swap Agreement.

Voluntary Prepayment on deduction or withholding by the Issuer

If following the occurrence of either of the events set out in Conditions 7(d)(i) or 7(d)(ii), the Issuer is unable to effectively arrange a substitution or if substitution would not avoid the relevant circumstances as set out in Condition 7(d)(i) or 7(d)(ii), the Borrowers may, whilst the relevant event set out in Condition 7(d)(i) or 7(d)(ii) (as applicable) is subsisting, on giving not less than seven Business Days' prior written notice (such notice to expire on a Loan Payment Date) to the Issuer and the Borrower Security Trustee of its intention to prepay on the Loan Payment Date specified in such notice:

(a) where the Issuer is entitled to redeem the Notes pursuant to Condition 7(d)(ii), prepay all (but not some only) of the outstanding Term A1 Advances, the outstanding Term A3 Advances, the outstanding Term A5 Advances, the outstanding Term B2 Advances and, on and following the Class B1 Step-Up Date, the outstanding Term B1 Advances in a principal amount equal to the outstanding Term A1 Advances, the outstanding Term A3 Advances, the outstanding Term A5 Advances, the outstanding Term B2 Advances and, on and following the Class B1 Step-Up Date, the outstanding Term B1 Advances together with accrued but unpaid interest in relation to such outstanding Term Advances up to (but excluding) the date of prepayment and any other amounts owing in respect of the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee; and

(b) where the Issuer is entitled to redeem the Notes pursuant to Condition 7(d)(i), prepay all (but not some only) of the outstanding Term Advances in a principal amount equal to the outstanding Term Advances, together with all accrued and unpaid interest in relation to such outstanding Term Advances up to (but excluding) the date of prepayment and any other amounts owing in respect of the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee,

provided that any such prepayment shall only be permitted if on the date of such prepayment the Initial Borrower terminates that part of the swap transaction entered into under the Issuer/Borrower Swap Agreement corresponding to the amount of principal to be prepaid on the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B1 Advances or the Term B2 Advances (as the case may be) and the Initial Borrower pays in full on such date any termination payment then payable by it to the Issuer as a result of such termination under the Issuer/Borrower Swap Agreement.

Mandatory Prepayment due to Illegality

If, at any time, the Issuer and/or the Initial Borrower satisfies the Borrower Security Trustee that it is or will become unlawful in any applicable jurisdiction for:

(a) the Issuer to perform any of its obligations as contemplated by the Issuer/Borrower Facility Agreement or the Notes, to make, fund or allow to remain outstanding the Term Advances or to advance or allow the Notes to remain outstanding; or

(b) a Borrower to perform any of its obligations as contemplated by the Issuer/Borrower Facility Agreement,

then (in the case of paragraph (a) above) subject to the Issuer (in consultation with the Initial Borrower and the Borrower Security Trustee) taking reasonable steps to mitigate such event in accordance with Condition 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation and Other Reasons*) and (in the case of (b) above) without prejudice to the obligations of the Borrowers to mitigate such event under the Issuer/Borrower Facility Agreement, the Borrowers shall, (in the case of paragraph (a) above) on the Loan Payment Date occurring after the date on which the Issuer has notified the Initial Borrower of such event (or, if earlier, the date specified by the Issuer in any notice delivered to the Initial Borrower, being no later than the last day of any applicable grace period permitted by law) or (in the case of paragraph (b) above) on the Loan Payment Date occurring after the date on which a Borrower has become aware of such unlawfulness (but no later than the last day of any applicable grace period permitted by law), prepay all (but not some only) of the Term Advances, terminate all of the transactions under the Issuer/Borrower Swap Agreement and pay all accrued and unpaid interest in relation to such outstanding Term Advances up to (but excluding) the date of prepayment and any other amounts owing in respect of the Issuer/Borrower Facility Agreement, including any amounts owing in respect of the Ongoing Facility Fee and any amounts payable by the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement by way of termination payments.

Deemed Prepayment Upon Purchase of Notes by the Initial Borrower

The Initial Borrower may, at any time while it is within the charge to United Kingdom corporation tax, purchase Notes of any class, provided that the following conditions are satisfied on the date of such proposed purchase:

(a) no Loan Event of Default has occurred and is continuing (and has not been waived) or would occur as a result of such purchase;

(b) if the Restricted Payment Condition is not satisfied as at the most recent Financial Quarter Date, the Initial Borrower will only be entitled to purchase Class AB2 Notes so long as there are no Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes or Class A6 Notes outstanding; and

(c) if the Restricted Payment Condition is not satisfied as at the most recent Financial Quarter Date, the Initial Borrower will only be entitled to purchase Class B Notes so long as there are no Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes, Class A6 Notes or Class AB2 Notes outstanding.

Following the purchase of a Note by the Initial Borrower, it must forthwith notify the Issuer and the Issuer Security Trustee of such purchase and surrender such Note to the Issuer in accordance with Condition 7(j) (*Redemption, Purchase and Cancellation – Purchase by the Borrowers and Cancellation*). Upon surrender of such Note, the Note will be cancelled and, upon such cancellation, an amount of the relevant Term Advance corresponding to the Note purchased equal to the Principal Amount Outstanding of such Note plus an amount of interest on the relevant Term Advance equal to the aggregate of any accrued and unpaid interest on the Principal Amount Outstanding of such Note will be treated as having been prepaid by way of set-off in consideration for the surrender of such Note. In the case of any purchase and cancellation of the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class B1 Notes or the Class B2 Notes, the Initial Borrower will be required to terminate that part of the swap transaction entered into under the Issuer/Borrower Swap Agreement corresponding to the amount of principal to be prepaid on the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B1 Advances or the Term B2 Advances (as the case may be) and to pay on such date any termination payment then payable by it to the Issuer as a result of such termination under the Issuer/Borrower Swap Agreement.

Prepayment of Additional Term Advances and Purchase of Additional Notes

The terms, if any, on which any Further Term Advance may be prepaid shall be substantially the same terms (as set out above and under the section entitled *"Covenants regarding disposal of Mortgaged Properties and related matters – Application of Proceeds of disposals of a Mortgaged Property"* below) as those on which any other Term Advance may be prepaid. The terms on which any New Term Advance may be prepaid shall be substantially the same as those on which the other Term Advances may be prepaid, save as otherwise required to reflect the prepayment terms of the New Notes issued to fund any such New Term Advance. The terms, if any, on which any Additional Notes may be purchased shall be substantially the same terms as set out in the section entitled *"Deemed Prepayment Upon Purchase of Notes by the Initial Borrower"* above, save as otherwise required to reflect the prepayment terms of any New Notes issued to fund any New Term Advance.

Representations and Warranties

No independent investigation with respect to the matters represented and warranted in the Issuer/Borrower Facility Agreement or any other Borrower Transaction Document has been or will be made by the Borrower Secured Creditors (including the Issuer and the Borrower Security Trustee) other than certain searches on the First Closing Date, the Second Closing Date, the Third Closing Date and the Fourth Closing Date in the registers held by the Registrar of Companies and in the Companies Court and certain searches in respect of the Mortgaged Properties at the appropriate land registry and land charges registry on and/or before the Fourth Closing Date. In relation to such matters, the Borrower Secured Creditors (including the Issuer and the Borrower Security Trustee) will, save as previously disclosed, rely entirely on the representations and warranties which have been given by each Obligor on the First Closing Date, the Second Closing Date and the Third Closing Date and which will be given by each Obligor on the Fourth Closing Date.

The representations and warranties given by the Obligors are customary for a loan facility of the type made available under the Issuer/Borrower Facility Agreement (and may be limited by a materiality and/or knowledge qualification in certain circumstances) and include representations and warranties as to the following matters:

(a) no security interests exist over all or any of its present or future revenues, undertakings or assets other than certain permitted security interests and save as revealed in the Property Due Diligence Reports to be delivered to the Borrower Security Trustee on or before the First Closing Date, the Second Closing Date, the Third Closing Date or the Fourth Closing Date (as the case may be);

(b) no Loan Event of Default or Potential Loan Event of Default has occurred and is continuing (and has not been waived);

(c) each security document to which it is a party creates the security interest which that security document purports to create and claims of the Borrower Secured Creditors against it will rank at least *pari passu* with the claims of all of its other unsecured creditors, save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application;

(d) save to the extent disposed of as permitted by the Transaction Documents or as revealed in the Overview Reports or where legal ownership remains held on trust for the Initial Borrower, the Initial Borrower is the absolute legal and beneficial owner of, and has a good and marketable title in its own name to, its interest in all of the Mortgaged Properties in respect of which it purports to create security under the Borrower Deed of Charge;

(e) each of the Mortgaged Properties comprising the Securitisation Estate as at the First Closing Date or the Second Closing Date (as applicable) is located in England or Wales or each of the Mortgaged Properties comprising the Securitisation Estate as at the Third Closing Date or Fourth Closing Date (as applicable) is located in either England, Wales or Scotland;

(f) it is not aware of any event or circumstances which would require any material adverse change to the Property Due Diligence Reports and the Valuation Report and certain other due diligence reports if they were to be reissued at the First Closing Date, the Second Closing Date, the Third Closing Date or the Fourth Closing Date (as applicable);

(g) each of the pubs in the Securitisation Estate has a liquor licence in full force and effect;

(h) each of the Intra Group Supply Agreement and the Management Services Agreement is in full force and effect and constitutes a legal, valid and binding obligation of the members of the GK Group who are parties thereto and is enforceable in accordance with its terms (subject to rights of creditors generally, to equitable principles of general application, to the time barring of claims and to the laws of insolvency);

(i) each Lease Agreement has been duly executed and delivered and is valid and enforceable in accordance with its terms (subject to the rights of creditors generally, to equitable principles of general application, to the time barring of claims and to the laws of insolvency);

(j) each insurance policy is in full force and effect and there are no outstanding claims under any such insurance policy that are individually or in aggregate material and which are not expected to be paid out by the relevant insurer; and

(k) buildings insurance is maintained in respect of the Securitisation Estate in an aggregate amount at least equal to, or not materially less than, the aggregate full replacement cost (as determined in accordance with the commercial property market generally) of all of the Mortgaged Properties comprising the Securitisation Estate.

Certain of the representations and warranties will also be repeated on the date on which any Term Advance or New Term Advance is made and on each Loan Payment Date, by reference to the facts and circumstances then existing and subject in certain cases to being limited by reference to a materiality and/or knowledge qualification.

Financial Covenants

Net Worth and Debt Service Covenants

Under the terms of the Issuer/Borrower Facility Agreement, the Securitisation Group has agreed to conduct its operation and business subject to a net worth covenant and a debt service coverage ratio covenant. These covenants provide that:

(a) *Net Worth Covenant:* the Net Worth of the Securitisation Group in aggregate as at the end of each Financial Year shall be equal to or greater than £140 million (the "**Net Worth Covenant**"); and

(b) *FCF DSCR Covenant:* the Free Cashflow DSCR of the Securitisation Group shall not, on any Financial Quarter Date, in respect of the most recent Relevant Period or the most recent Relevant Year be less than 1.10:1 (the "**FCF DSCR Covenant**" or the "**Debt Service Covenant**").

The Net Worth Covenant shall be complied with at all times, but shall be tested after each Financial Year by reference to the audited consolidated financial statements of the Securitisation Group delivered and subject to any necessary adjustment on a continuing basis as demonstrated by the financial statements delivered.

The FCF DSCR Covenant has to be tested after each Financial Quarter by reference to the unaudited consolidated financial statements of the Securitisation Group delivered and by reference to the audited consolidated financial statements of the Securitisation Group delivered.

For these purposes:

"**Accrued Principal**", in respect of a Relevant Year, means the aggregate of all scheduled principal payments made or due to be made under the Issuer/Borrower Facility Agreement during that Relevant Year and, in respect of a Relevant Period, means:

(a) the product of:

(i) all scheduled principal payments made or due to be made under the Issuer/Borrower Facility Agreement during the Relevant Year ending on the same Financial Quarter Date as that Relevant Period ends; and

(ii) the number of weeks in such Relevant Period; divided by

(b) the number of weeks in the Relevant Year ending on the same Financial Quarter Date as that Relevant Period ends.

"**Debt Service**" means the aggregate of:

(a) all Interest Charges; and

(b) all Accrued Principal,

in each case, for the Relevant Period or, as the case may be, Relevant Year.

"**EBITDA**" means, in respect of any Financial Quarter, Relevant Period or, as the case may be, Relevant Year for any relevant entity, the Operating Profit before:

(a) any Interest Charges;

(b) any Subordinated Debt Amounts; and

(c) any amount attributable to amortisation of goodwill, or other intangible assets or the amortisation or the writing off of acquisition or refinancing costs and any deduction for depreciation of assets,

but after adjusting where necessary to exclude:

(i) fair value adjustments or impairment charges (to the extent they involve no payment of cash) and non-cash items (except accruals, bad debt provisions and stock write offs);

(ii) items treated as extraordinary or non-operating exceptional income/charges under accounting principles generally accepted in the United Kingdom;

(iii) any amount attributable to the writing up or writing down of any assets of such relevant entity after the First Closing Date or, in the case of a company becoming a subsidiary of such relevant entity after the First Closing Date, after the date of its becoming a subsidiary of such relevant entity;

(iv) the amount of any profit of such relevant entity which is attributable to minority interests;

(v) any amounts earned from any Excluded Group Entity where such amounts have not been received in cash, save for such non-cash amounts earned from Supply Co pursuant to the Intra Group Supply Agreement and from Management Co pursuant to the Management Services Agreement where a cash amount is expected to be received in the next 12 months; and

(vi) any amounts attributable to the disposal of any Mortgaged Properties or other assets.

"**Financial Indebtedness**" means, in relation to any person at any time, any indebtedness (whether actual or contingent) incurred in respect of:

(a) the principal amount and the capitalised element (if any), of money borrowed or raised and debit balances at banks and mandatory premia (if any) and capitalised interest in respect thereof;

(b) the principal and mandatory premia (if any) and capitalised interest in respect of any debenture, bond, note, loan stock or similar debt instrument;

(c) liabilities in respect of any letter of credit, standby letter of credit, acceptance credit, bill discounting or note purchase facility and any receivables purchase, factoring or discounting arrangements, provided that, for the purposes of calculating the amount of Financial Indebtedness, any obligations in respect of any letter of credit or standby letter of credit shall not be included unless the relevant person is in default of its obligations to the Issuer under such letter of credit, standby letter of credit or counterindemnity for the same;

(d) rental or hire payments under any contract between a lessor and a lessee treated as a finance lease in accordance with generally accepted accounting principles applied in the United Kingdom;

(e) the deferred purchase price of assets or services, save for:

 (i) any such arrangement entered into in the ordinary course of trading and having a term not exceeding 180 days after the period customarily allowed by the relevant supplier for deferred payment; and/or

 (ii) where the arrangement is entered into in the ordinary course of trade and the deferred purchase price in respect of assets or services is expressed to be payable in instalments or where the relevant amount is a retention of payment by such person to ensure performance of obligations owed to it;

(f) liabilities in respect of any foreign exchange agreement, currency swap or interest rate swap or other derivative transactions or similar arrangements, provided that to the extent that the relevant contract provides for net payments to be made, the amount of Financial Indebtedness shall be the net amount due or the net exposure thereunder (being the amount payable by the party liable thereunder on termination or closing out of such arrangements determined on a mark-to-market basis);

(g) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any share capital of any person or any warrants, rights or options to acquire such share capital in respect of transactions which in each such case have the commercial effect of borrowing or which otherwise finance its, or, in the case of an Obligor, the other Obligors', and, in the case of any other person, its group's operations or capital requirements;

(h) any other transactions having the commercial effect of borrowing entered into by such person; and

(i) all Financial Indebtedness of other persons of the kinds referred to in paragraphs (a) to (h) above guaranteed or indemnified directly or indirectly in any manner by such person or having the commercial effect of being guaranteed or indemnified directly or indirectly by such person.

"**Financial Quarter**" means each period from (and including) the day after a Financial Quarter Date to (and excluding) the next Financial Quarter Date and, in respect of the first Financial Quarter, the period from (and including) the First Closing Date to (and including) 1 May 2005.

"**Financial Quarter Date**" means, in respect of the Financial Year current at the time of the First Closing Date, 1 May 2005 and, thereafter, the date on which the quarterly accounting period of each Borrower ends, being:

(a) for the first Financial Quarter, the date which is 12 weeks from 1 May 2005 and in each year thereafter from the fourth Financial Quarter Date in the immediately preceding Financial Year;

(b) for the second Financial Quarter, the date which is 12 weeks from the previous Financial Quarter Date;

(c) for the third Financial Quarter, the date which is 12 weeks from the previous Financial Quarter Date; and

(d) for the fourth Financial Quarter, the date which is the last day of the Financial Year of which such fourth Financial Quarter forms part.

"**Financial Statements**" means:

(a) the annual audited consolidated financial statements of the Securitisation Group Parent and its direct and indirect subsidiaries and the related auditors' report for each Financial Year; and

(b) the unaudited consolidated semi-annual financial statements of the Securitisation Group Parent and its direct and indirect subsidiaries for each Semi-Annual Period,

in each case, to be delivered by the Securitisation Group Parent and its direct or indirect subsidiaries pursuant to the Issuer/Borrower Facility Agreement.

"**Financial Year**" means the period of four Financial Quarters comprised, in the discretion of the Initial Borrower, of 52 or 53 weeks ending within seven days of 30 April, the first Financial Year ending on 1 May 2005.

"**Free Cashflow**" or "**FCF**" means EBITDA for a Financial Quarter, a Relevant Period or, as the case may be, a Relevant Year after:

(a) deducting:

(A) any tax in relation to EBITDA in respect of such Financial Quarter, Relevant Period or, as the case may be, Relevant Year (being the actual tax accrued for the Securitisation Group before making any adjustment to deferred tax assets or liabilities);

(B) the greater of (i) the aggregate amount of Maintenance Expenditure actually incurred during the Financial Quarter, the Relevant Period or, as the case may be, the Relevant Year (less any Maintenance Expenditure expensed through the profit and loss account for the Financial Quarter, the Relevant Period or, as the case may be, the Relevant Year) and (ii) the Portion of the Required Maintenance Amount (less any Maintenance Expenditure expensed through the profit and loss account) for the Financial Quarter, the Relevant Period or, as the case may be, the Relevant Year; and

(C) provisions released during such Financial Quarter, Relevant Period or, as the case may be, Relevant Year; and

(b) adding back:

(A) any tax credits redeemable within 12 months; and

(B) provisions charged during such Financial Quarter, Relevant Period or, as the case may be, Relevant Year,

provided that where the Relevant Period or, as the case may be, the Relevant Year relates to more than one Financial Year, the Portion of the Required Maintenance Amount for such Relevant Period or, as the case may be, Relevant Year shall be the aggregate of the Portion of the Required Maintenance Amount in each Financial Year to which the Relevant Period or, as the case may be, the Relevant Year relates.

"**Free Cashflow DSCR**" or "**FCF DSCR**", as at any Financial Quarter Date, means the ratio of (a) Free Cashflow for the Relevant Period or, as the case may be, the Relevant Year ending on such Financial Quarter Date to (b) Debt Service for the Relevant Period or, as the case may be, the Relevant Year, ending on such Financial Quarter Date.

“**Interest Charges**” means:

(a) the aggregate amount of:

(i) all amounts of interest or amounts in the nature of interest accrued on Financial Indebtedness; and

(ii) any net amounts accrued under any hedging arrangements; and

(b) less any interest earned on any deposit accounts and excluding any Subordinated Debt Amounts.

“**Maintenance Expenditure**” means, in each Financial Year, an amount expended in the refurbishment, repair, renewal and maintenance of the internal and external fabric of the Mortgaged Properties in the Securitisation Estate and their fixtures and fittings and of the assets required to manage them (for example, information technology systems), such expenditure including amounts expensed through the profit and loss account and amounts capitalised on the balance sheet of a Borrower to the extent that such expenditure does not constitute Capital Enhancement Expenditure.

“**Net Worth**” means the sum of:

(a) the aggregate amount as shown in the most recent audited balance sheets of the Securitisation Group Parent and its direct or indirect subsidiaries as being the net assets of the Securitisation Group (disregarding for the purposes of this paragraph any intercompany loans within the Securitisation Group); and

(b) any Financial Indebtedness of any Borrower fully subordinated in accordance with the terms of the Borrower Security Documents provided that, by its terms, any and all amounts due and payable thereunder are serviced out of Restricted Payments (disregarding for the purposes of this paragraph any intercompany loans with the Securitisation Group).

“**Operating Profit**” means the aggregate operating profit of the Securitisation Group and each subsidiary undertaking acquired in connection with an acquisition or, as the case may be, substitution of a Permitted Business or where applicable the operating profit of an individual pub, in each case, shown in the most recent financial statements or the management accounts of the Securitisation Group and such subsidiary undertakings for the Financial Quarter, the Relevant Period or, as the case may be, the Relevant Year.

“**Portion of the Required Maintenance Amount**” for that part of a Financial Year to which the Relevant Period or, as the case may be, the Relevant Year relates shall be the Required Maintenance Amount for such Financial Year multiplied by the number of Financial Quarters in the Relevant Period or, as the case may be, the Relevant Year which falls in such Financial Year and divided by four and provided further that for any Relevant Period or, as the case may be, Relevant Year which includes the Financial Quarter commencing on the First Closing Date, the Portion of the Required Maintenance Amount shall be the initial Required Maintenance Amount divided by 52 and multiplied by:

(a) 8 in respect of the Relevant Period and the Relevant Year ending on 1 May 2005;

(b) 20 in respect of the Relevant Period and the Relevant Year ending on 24 July 2005;

(c) 32 in respect of the Relevant Year ending on 16 October 2005; and

(d) 44 in respect of the Relevant Year ending on 8 January 2005.

"**Relevant Period**" means a period of two consecutive Financial Quarters, provided that any calculation of a ratio or an amount shall be made:

(a) in respect of the Financial Quarter ending on 1 May 2005, for the period from (and including) the First Closing Date to (and including) 1 May 2005; and

(b) in respect of the Financial Quarter ending on 24 July 2005, for the period from (and including) the First Closing Date to (and including) 24 July 2005.

"**Relevant Year**" means a period of four consecutive Financial Quarters, provided that any calculation of a ratio or an amount shall be made:

(a) in respect of the Financial Quarter ending on 1 May 2005, for the period from (and including) the First Closing Date to (and including) 1 May 2005;

(b) in respect of the Financial Quarter ending on 24 July 2005, for the period from (and including) the First Closing Date to (and including) 24 July 2005;

(c) in respect of the Financial Quarter ending on 16 October 2005, for the period from (and including) the First Closing Date to (and including) 16 October 2005; and

(d) in respect of the Financial Quarter ending on 8 January 2006, for the period from (and including) the First Closing Date to (and including) 8 January 2006.

"**Semi-Annual Period**" means the first and second Financial Quarters of each Financial Year.

"**Subordinated Debt Amounts**" means any amounts paid or accrued (whether or not payable) by a Borrower to any other Obligor, any interest paid or accrued (whether or not payable) by way of Restricted Payments and any other payment subject to the Restricted Payment Condition.

Restricted Payment Condition

Each Obligor has covenanted and agreed with the Borrower Security Trustee and the Issuer that it shall not make any Restricted Payment save that a Restricted Payment may be made on any day if:

(a) the Restricted Payment Condition was satisfied in the Relevant Period and the Relevant Year, in each case, ending on the most recent Financial Quarter Date;

(b) either:

  (i) the Restricted Payment Maximum would not be less than zero following the making of such Restricted Payment; or

  (ii) the Restricted Payment is to be made out of Excess Net Sales Proceeds; and

(c) no Loan Event of Default has occurred and is continuing (and has not been waived) or would occur as a result of the making of such Restricted Payment; and

(d) where such Restricted Payment consists of the purchase of a tax relief, such Restricted Payment is made in accordance with the applicable provisions of the Tax Deed of Covenant,

provided that no such Restricted Payment may be made where the Initial Borrower is required to create the Land Transaction Tax Reserve (as defined in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Land Tax Reserve"* below) and such Transaction Tax Reserve is not fully funded in accordance with the terms of the Tax Deed of Covenant.

Notwithstanding the foregoing, the Initial Borrower may make a payment in respect of interest accrued under the Initial Borrower Subordinated Loan Agreement on any Loan Payment Date (after satisfaction in full of all amounts payable on such Loan Payment Date at items (a) to (k) of the Borrower Pre-Enforcement Priority of Payments) or, provided that the Initial Borrower has reserved such amount for such purpose on the preceding

Loan Payment Date (after satisfaction in full of all amounts payable on such Loan Payment Date at items (a) to (k) of the Borrower Pre-Enforcement Priority of Payments), on any date, provided that:

(a) no Loan Event of Default or Potential Loan Event of Default has occurred and is continuing unwaived or would occur as a result of the making of such Restricted Payment; and

(b) the aggregate of such payment and any other previous payments of interest in respect of the Initial Borrower Subordinated Loan Agreement is no greater than the aggregate of any corporation tax then or previously due and payable by Greene King (or which would be, or would have been, due and payable but for any relief claimed under Chapter IV of Part X of the Income and Corporation Taxes Act 1988) in respect of interest under the Initial Borrower Subordinated Loan Agreement or pursuant to any election by Greene King under paragraph 7B of Schedule 28AA of the Income and Corporation Taxes Act 1988 in respect of the Initial Borrower Subordinated Loan Agreement.

The "**Restricted Payment Condition**" is satisfied if, in relation to the Relevant Period and Relevant Year immediately preceding the date on which the proposed Restricted Payment (or other action which is subject to this condition) is to be made or undertaken:

(a) the ratio of EBITDA to Debt Service calculated for such Relevant Period and Relevant Year was, in each case, at least 1.5:1; and

(b) the FCF DSCR calculated for such Relevant Period and Relevant Year was, in each case, at least 1.3:1.

If the Restricted Payment Condition was not satisfied as at any Financial Quarter Date but is subsequently satisfied on any following Financial Quarter Date, an Obligor may make a Restricted Payment in the following Financial Quarter but only to the extent the Further Restricted Payment Maximum would not be less than zero following the making of such Restricted Payment until the Restricted Payment Condition has been satisfied on eight consecutive Financial Quarter Dates.

For these purposes:

"**Excess Cash**" means, in respect of a Financial Quarter:

(a) the aggregate of:

   (i) Free Cashflow for such Financial Quarter;

   (ii) any proceeds not required to be deposited in the Disposal Proceeds Account in such Financial Quarter pursuant to the terms of the Issuer/Borrower Facility Agreement; and

   (iii) any net insurance proceeds received by the Securitisation Group not included in Operating Profit and/or not required to be deposited in the Disposal Proceeds Account; and

(b) less the sum of:

   (i) all Interest Charges accrued in such Financial Quarter;

   (ii) all principal payments made pursuant to the Issuer/Borrower Facility Agreement in such Financial Quarter; and

   (iii) to the extent not funded from amounts standing to the credit of the Disposal Proceeds Account, any expenditure incurred in respect of acquisitions or substitutions of Permitted Businesses and/or Capital Enhancement Expenditure in such Financial Quarter.

"**Further Restricted Payment Maximum**" means, on any date, the sum of:

(a) Excess Cash for the Financial Quarter immediately prior to which a Restricted Payment is proposed to be made; and

(b) 12.5 per cent. of the difference between the Restricted Payment Maximum and the Excess Cash for that prior Financial Quarter.

"**Restricted Payment**" is any payment or other disposal of cash or other funds or assets to an Excluded Group Entity, including (but not restricted to) by way of advance of a loan, payment of a dividend or other return on capital, a distribution, payment of interest, payment of premium, repayment of a loan, payment of fees, the making of a gift or a capital contribution or reduction of capital, in each case, to an Excluded Group Entity, or the purchase of tax reliefs, except for the Permitted Restricted Payment.

"**Permitted Restricted Payment**" means:

(a) any payment made pursuant to a Borrower Transaction Document (including any payment to the Services Companies pursuant to the Services Agreements and any payment made on or immediately after the date that an Additional Term Advance is granted from the proceeds of such Additional Term Advance) which payment is not dependent upon the satisfaction of the terms set out in items (a) and (b) of the definition of Restricted Payment Condition;

(b) any purchase of tax reliefs made in accordance with the Tax Deed of Covenant;

(c) any payment made with the prior consent of the Borrower Security Trustee;

(d) any payment to acquire or substitute a Permitted Business, subject to satisfaction of the Profitability Condition;

(e) any payment of a dividend or other return of capital or advance of a loan or in repayment of Financial Indebtedness made by an Obligor to an Excluded Group Entity on or immediately after the First Closing Date from the proceeds of the Initial Term Advances; and

(f) any payments on or as soon as reasonably practicable after the First Closing Date of outstanding amounts owing to an Excluded Group Entity in respect of intercompany balances accrued prior to the First Closing Date and made from the proceeds of the Initial Term Advances.

"**Restricted Payment Maximum**" means, on any date, the aggregate of the differences for each Financial Quarter since the First Closing Date between (a) all Excess Cash and (b) all Restricted Payments made from Excess Cash (including payments deemed to be Restricted Payments under the Tax Deed of Covenant).

Covenants regarding disposal of Mortgaged Properties and related matters

The Obligors are not permitted to dispose of any Mortgaged Property (either alone or together with any Incidental Mortgaged Property) unless the Borrower Security Trustee consents to the disposal or unless such disposal is by way of a Permitted Estate Management Transaction. The Borrower Security Trustee has agreed that its consent to any proposed disposal will not be unreasonably withheld or delayed if the Initial Borrower, no less than five Business Days (or such shorter period as the Borrower Security Trustee may agree) prior to the date on which the relevant Obligor proposes to dispose of such Mortgaged Property and any related Incidental Mortgaged Property, certifies that:

(a) the proposed disposal is a disposal of part of a Mortgaged Property which does not have a material adverse effect on the trading of that Mortgaged Property; or

(b) the proposed disposal is a disposal from a member of the Securitisation Group to the Initial Borrower (an "**Intra-Group Disposal**"), provided that immediately following the disposal, any asset or assets accruing to the relevant transferor or transferee is or are made part of the Borrower Security and provided further that the future enforcement of the Borrower Security would not be impaired or prejudiced by such Intra-Group Disposal; or

(c) the proposed disposal (i) is to be made on arm's length terms or to the extent disposed of to a member of the GK Group for fair value (ii) will not result in the aggregate of all disposals of portions of the Securitisation Estate made since the Fourth Closing Date, together accounting for more than 25 per cent. of the Outlet EBITDA referable to the Mortgaged Properties comprised in the Securitisation Estate for the Financial Year covered in the most recent audited financial statements of the Obligors (not taking into account, for the purposes of this calculation, any disposals in paragraph (d) below), with such portions being disposed being reset to zero from time to time subject to the Ratings Test being satisfied following such resetting and (iii) will not result in the aggregate of all disposals of portions of the Securitisation Estate made in the Financial Year in which the proposed disposal is to be made together accounting for more than 10 per cent. of the Outlet EBITDA referable to the Mortgaged Properties comprised in the Securitisation Estate for the Financial Year covered in such audited financial statements; or

(d) the Sales Proceeds less an amount equal to any tax liabilities arising in connection with the relevant disposal ("**Net Sales Proceeds**") will be applied in the payment of at least the sum of (i) the Allocated Debt Amount referable to that Mortgaged Property to be disposed of in prepayment of Term Advances, (ii) the payment of any premia payable in connection with the prepayment of such Term Advances and (iii) the payment of any termination costs payable by the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement as a result of a termination made in connection with any prepayment made of the Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Initial Term B1 Advance or the Second Term B2 Advance; or

(e) the proposed disposal is a disposal of a Mortgaged Property by order of any Competition Authority or required by law or any regulation having the force of law or any governmental agency in accordance with whose orders and/or rulings such Obligor is required to act; or

(f) the proposed disposal is a disposal of the bare legal title relating to a Mortgaged Property in respect of which the transfer of the related beneficial title would otherwise constitute a Permitted Disposal; or

(g) the proposed disposal is undertaken pursuant to a substitution of a Mortgaged Property in the manner described in the section entitled *"Risk Factors – Considerations relating to the Mortgaged Properties – Substitutions"* above,

and the Initial Borrower certifies in writing that the relevant Obligor has complied with its obligations under the Issuer/Borrower Facility Agreement and the Tax Deed of Covenant (if any) in relation to such disposal of the Mortgaged Property. Any such disposal consented to by the Borrower Security Trustee is referred to as a "**Permitted Disposal**".

For these purposes:

"**Allocated Debt Amount**", in respect of a Mortgaged Property, means, at any time, the aggregate of:

(a) the aggregate Principal Amount Outstanding of the Notes then outstanding as at the end of the immediately preceding Financial Year, multiplied by a fraction being the proportion which the greater of (i) Outlet EBITDA of that Mortgaged Property for the period of 12 months immediately preceding the First Closing Date or, if later, the date on which such Mortgaged Property was acquired by the Securitisation Group and (ii) Outlet EBITDA referable to that Mortgaged Property for the Financial Year covered in the most recent audited financial statements of the Obligors, bore to the total Outlet EBITDA of the Mortgaged Properties comprised in the Securitisation Estate for the Financial Year covered in such audited financial statements; and

(b) 10 per cent. of the amount calculated under paragraph (a) above.

"**Competition Authority**" means the Competition and Markets Authority, the European Commission and any other national competition authority.

Application of Proceeds of Disposals of a Mortgaged Property

The Obligors have covenanted and agreed with the Issuer, the Borrower Security Trustee and the other Borrower Secured Creditors that, in respect of any disposal of a Mortgaged Property or part thereof, save where such a disposal is made in accordance with paragraph (a) under section *"Covenants regarding disposal of Mortgaged Properties and related matters"* above or a Permitted Estate Management Transaction, it will deposit the gross proceeds of sale of such Mortgaged Property less an amount equal to the costs and expenses incurred by the relevant Obligor in connection with the relevant disposal (including any amount to be paid in respect of indemnity on sale) (the "**Sales Proceeds**") into a designated account maintained by the Initial

Borrower and charged to the Borrower Security Trustee (the "**Disposal Proceeds Account**") forthwith upon receipt.

Each Borrower has covenanted and agreed with the Issuer and the Borrower Security Trustee (for itself and on behalf of the other Borrower Secured Creditors) that any amounts standing to the credit of the Disposal Proceeds Account for longer than 18 months (other than amounts which may be required to discharge any liability to tax in relation to any Permitted Disposal) shall, unless a Loan Event of Default is subsisting which has not been waived, be required to be withdrawn and applied in making prepayments of any outstanding Term Advances in the manner described in paragraph (a) below.

The Initial Borrower has covenanted and agreed with the Borrower Security Trustee that amounts standing to the credit of the Disposal Proceeds Account may be withdrawn only with the prior consent of the Borrower Security Trustee.

The Borrower Security Trustee has agreed not to unreasonably withhold or delay giving its consent to the proposed withdrawal if the Initial Borrower certifies to the Borrower Security Trustee that it has complied with its obligations under the Issuer/Borrower Facility Agreement in relation to the proposed withdrawal, that there is no Loan Event of Default subsisting which has not been waived at the date of withdrawal and either:

(a) amounts to be withdrawn are Excess Net Sales Proceeds (provided that such Excess Net Sales Proceeds may only be withdrawn if the Restricted Payment Condition is satisfied upon such withdrawal) and either:

(i) the Ratings Test is satisfied upon such withdrawal; or

(ii) the disposal proceeds are being used to purchase further Mortgaged Properties where the Expected Outlet EBITDA of such further Mortgaged Properties for the 12-month period immediately following the proposed date of their acquisition exceeds the higher of:

(A) the aggregate of the Outlet EBITDA for each of the Mortgaged Properties disposed of (and whose disposal proceeds are identified by the Initial Borrower as being used for acquisition of the relevant further Mortgaged Properties) for the 12-month period prior to the dates of disposal of the relevant Mortgaged Properties; and

(B) the aggregate of the Expected Outlet EBITDA (calculated as if the Initial Borrower had retained ownership of such Mortgaged Properties) for each of the Mortgaged Properties disposed of (and whose disposal proceeds are identified by the Initial Borrower as being used for acquisition of the relevant further Mortgaged Properties) for the 12-month period immediately following the relevant date of the proposed withdrawal from the Disposal Proceeds Account,

and, in addition, the Average Expected Outlet EBITDA of the further Mortgaged Properties to be acquired is no less than the higher of (I) the Average Outlet EBITDA of the Mortgaged Properties disposed of (and whose disposal proceeds are identified by the Initial Borrower as being used for acquisition of the relevant further Mortgaged Properties) for the respective 12-month periods immediately prior to the relevant dates of disposals of such Mortgaged Properties; and (II) the Average Expected Outlet EBITDA (calculated as if the Initial Borrower had retained ownership of such Mortgaged Properties) for the Mortgaged Properties disposed of (and whose disposal proceeds are identified by the Initial Borrower as being used for acquisition of the relevant further Mortgaged Properties) for the following 12-month period immediately following the relevant date of the proposed withdrawal from the Disposal Proceeds Account; or

(b) that moneys standing to the credit of the Disposal Proceeds Account will be applied:

(i) in or towards making a prepayment:

(A) if the Restricted Payment Condition was satisfied as at the most recent Financial Quarter Date, at the discretion of the Initial Borrower either (1) *pro rata* across all the tranches of the Term Advances or (2) of the tranches of the Term Advances on a sequential basis in the order of priority set out in the Borrower Pre-Enforcement Priority of Payments; or

(B) if the Restricted Payment Condition was not satisfied as at the most recent Financial Quarter Date, of the tranches of the Term Advances on a sequential basis in the order of priority set out in the Borrower Pre-Enforcement Priority of Payments,

allocating any amount which is permitted to be applied in prepayment of any tranche of Term Advances under paragraph (A) or (B) above towards the sub-tranches of such Term Advances as the Initial Borrower determines;

(ii) in or towards purchasing Notes in accordance with and in the order required by the terms of the Issuer/Borrower Facility Agreement and for a purchase price no greater than the relevant Redemption Amount of such Notes under Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*) together with all accrued and unpaid interest on the Principal Amount Outstanding of such Notes up to (but excluding) the date of purchase;

(iii) subject to satisfaction of the Capital Enhancement Condition, in or towards the funding or refinancing of Capital Enhancement Expenditure;

(iv) subject to satisfaction of the Business Acquisition Condition and the Profitability Condition, in or towards acquiring or substituting a Permitted Business or the refinancing of funding for the acquisition or substitution of a Permitted Business;

(v) in or towards the acquisition of Eligible Investments permitted by the Borrower Transaction Documents;

(vi) in or towards the making of a payment to any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including H.M. Revenue & Customs and Revenue Scotland (each a "**Tax Authority**") (i) to satisfy any liability to tax in respect of any Permitted Disposal or (ii) any liability to stamp duty land tax or land and buildings transaction tax in relation to the transfers of the Mortgaged Properties to any member of the Tax Indemnified Group on or before the Fourth Closing Date; and/or

(vii) in or towards the repair, reinstatement or replacement of any damaged property which is the subject of a claim under any property damage insurance policy, provided that such moneys standing to the credit of the Disposal Proceeds Account represent insurance proceeds referable to that damaged property.

The Initial Borrower has covenanted and agreed with the Borrower Security Trustee that, in respect of a Mortgaged Property, it may only withdraw amounts standing to the credit of the Disposal Proceeds Account (subject to obtaining the Borrower Security Trustee's consent to such withdrawal) which represent tax reserves required under the terms of the Borrower Transaction Documents to be maintained in respect of any tax that could fall due on a Permitted Disposal if such amounts are to be applied either: (A) in accordance with paragraph (f)(i) above; or (B) in or towards the acquisition of Eligible Investments with a maturity no later than the date on which it is anticipated that such amounts will be required to be applied in satisfaction of any liability to tax and provided that the Initial Borrower enters into such additional documents, and procures the provision of any legal opinions requested by the Borrower Security Trustee in respect thereof, as the Borrower Security Trustee may require for the Initial Borrower to grant first fixed security over its interest in any such Eligible Investments acquired.

References in this Prospectus to the "disposal of a Mortgaged Property" or the "acquisition of a Mortgaged Property" shall include a disposal or, as the case may be, acquisition of any goodwill, fittings, fixtures of such Mortgaged Property and shares of the relevant company which beneficially owns any such Mortgaged Property.

For these purposes:

"**Average Expected Incremental Enhancement**" means, in respect of any Capital Enhancement Expenditure:

(a) the amount of:

(i) the average expected EBITDA which a Borrower determines (acting reasonably) will be achievable in a 12-month period following the incurring of that Capital Enhancement Expenditure; less

(ii) the average expected EBITDA which a Borrower determines would have been achievable in a 12-month period without incurring that Capital Enhancement Expenditure; divided by

(b) that Capital Enhancement Expenditure incurred by the relevant Borrower,

expressed as a percentage.

"**Average Expected Outlet EBITDA**", for a period and in respect of certain Mortgaged Properties, means the aggregate Expected Outlet EBITDA of such Mortgaged Properties for such period divided by the number of such Mortgaged Properties.

"**Average Outlet EBITDA**", for a period and in respect of certain Mortgaged Properties, means the aggregate Outlet EBITDA of such Mortgaged Properties for such period divided by the number of such Mortgaged Properties.

"**Business Acquisition Condition**" is satisfied if at least 80 per cent. of the amounts disbursed from the Disposal Proceeds Account which are used for the acquisition or, as the case may be, substitution of a Permitted Business are used for the acquisition or, as the case may be, substitution of pubs and any assets purchased in connection with such sites, such calculation to be performed annually on a cumulative basis, provided that such condition shall be treated as having been satisfied for the period from the First Closing Date until the end of the Financial Year ending on 30 April 2006.

"**Capital Enhancement Condition**" is satisfied if the Average Expected Incremental Enhancement of the Capital Enhancement Expenditure is equal to or greater than the aggregate of 2.5 per cent. and the then Weighted Average Interest Rate.

"**Capital Enhancement Expenditure**" means, in respect of any Borrower, any expenditure (other than expenditure identified as Maintenance Expenditure in the relevant Investor Report(s)) which is properly treated as capital expenditure in accordance with the usual accounting policies of the Securitisation Group for the purpose of improvement or enhancement of Mortgaged Properties, including for, or in relation to, the construction on, or the development or extension of, any Mortgaged Property (including areas adjacent or in close proximity to the sites of Mortgaged Properties) and assets such as plant, machinery and equipment.

"**Excess Net Sales Proceeds**" means the amount (if any) by which the Net Sales Proceeds in respect of the Mortgaged Property disposed of exceed the Allocated Debt Amount as at the date of the relevant disposal (together with any premia that would be payable in connection with a redemption of the Notes if Notes were redeemed as a result of such disposal and any termination amounts that would be payable by the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement as a result of the termination (in whole or in part) of the swap transactions entered into thereunder that would be required if Term Advances were to be prepaid as a result of such disposal) of that Mortgaged Property.

"**Expected Outlet EBITDA**" means for any future period in respect of a particular pub, the Outlet EBITDA that the Initial Borrower, acting reasonably, expects to be generated by that pub during that period.

"**Net Sales Proceeds**" means the Sales Proceeds less an amount equal to any tax liabilities arising in connection with the relevant disposal.

Conversion of Managed Pubs and Tenanted Pubs

The Securitisation Estate comprises both Managed Pubs and Tenanted Pubs.

Conversion of Managed Pubs to Tenanted Pubs

From and including the Fourth Closing Date, the Borrowers shall be permitted to convert a Managed Pub into a Tenanted Pub without any conditions, provided that if the number of such conversions (each such conversion, a "**Tenanted Conversion**") exceeds 120 Tenanted Conversions, the following conditions are required to be fulfilled:

(a) The proposed Tenanted Conversion will not result in more than four Tenanted Conversions having been made in any period of four consecutive Financial Quarters; or

(b)

(i) the aggregate Pub FCF produced in respect of all Relevant Tenanted Conversions during the period of four consecutive complete Financial Quarters immediately following the date of completion of their respective conversions is greater than the aggregate Pub FCF produced in respect of all such Relevant Tenanted Conversions during the four consecutive complete Financial Quarters (or in respect of Relevant Tenanted Conversions commenced during the first four consecutive Financial Quarters immediately following the Third Closing Date, during the 12 months) immediately preceding the date of commencement of their respective conversions; and

(ii) the aggregate Pub FCF to be produced in respect of the proposed Tenanted Conversion during the period of four consecutive complete Financial Quarters immediately following the date of completion of the proposed conversion is projected to be not less than the Pub FCF produced in respect of the relevant pub proposed to be subject to the Tenanted Conversion during the four consecutive complete Financial Quarters (or in respect of a proposed conversion commenced during the first four consecutive Financial Quarters immediately following the Third Closing Date, during the 12 months) immediately preceding the date of commencement of the proposed Tenanted Conversion; and

(iii) where the proposed Tenanted Conversion will require the closure of the relevant pub for more than seven days, the deduction of that pub's contribution from the calculation of EBITDA and FCF DSCR for the Relevant Period and Relevant Year ending on the Financial Quarter Date immediately preceding the date of commencement of the proposed Tenanted Conversion would not have resulted in the Conversion Condition not having been satisfied on such Financial Quarter Date; or

(c) the relevant Borrower has received confirmation from the Rating Agencies that the Ratings Test will be satisfied following such Tenanted Conversion.

For the purposes of this paragraph:

"**Pub FCF**" means, in respect of any pub, Outlet EBITDA for any period in respect of that pub after:

(a) deducting:

(i) the greater of (i) the aggregate amount of Maintenance Expenditure actually incurred during the relevant period in respect of the relevant pub (less any Maintenance Expenditure expensed through the profit and loss account for the relevant period) and (ii) the Required Maintenance Amount in respect of the relevant pub (less any Maintenance Expenditure expensed through the profit and loss account) for the relevant period; and

(ii) provisions relating to the relevant pub released during such relevant period; and

(b) adding back any provisions relating to the relevant pub charged during such relevant period.

provided that where the relevant period relates to more than one Financial Year, the Required Maintenance Amount in respect of the relevant pub for such relevant period shall be the aggregate of the Required Maintenance Amount for that pub in each Financial Year to which the relevant period relates.

"**Relevant Tenanted Conversions**" means all of the Tenanted Conversions which have been made during the 20 consecutive complete Financial Quarters immediately preceding the date of commencement of the proposed Tenanted Conversion but excluding those Tenanted Conversions made in the four consecutive complete Financial Quarters preceding the date of commencement of the proposed Tenanted Conversion.

Conversion of Tenanted Pubs to Managed Pubs

From and including the Fourth Closing Date, the Borrowers shall be permitted to convert a Tenanted Pub into a Managed Pub without any conditions.

Covenant regarding disposal of Assets other than Mortgaged Properties

Disposals by Obligors of any assets (other than all or any part of any Mortgaged Property or any asset sold in connection with the disposal of any Mortgaged Property) are only permitted without the consent of the Borrower Security Trustee if they are disposals of:

(a) Incidental Mortgaged Property which is not to be disposed of together, or in connection, with a Mortgaged Property; or

(b) any other asset that is:

   (i) a trading asset which is expressed to be subject to a floating charge and not a fixed charge under the Borrower Security Documents and it is disposed of for fair market value;

   (ii) cash standing to the credit of the Operating Accounts or Eligible Investments permitted to be made in accordance with the Borrower Transaction Documents and which have been made from moneys standing to the credit of the Collection Accounts or the Operating Accounts only;

   (iii) an asset disposed of by an Obligor to another Obligor on arm's length terms;

   (iv) an asset disposed of in exchange for, or an asset the proceeds of disposal of which are used to acquire, another asset comparable or superior as to type, value and quality;

   (v) specific assets that are not used or required for use in the Permitted Business; and/or

(c) any other asset if the value of the aggregate net consideration received by the Obligors in respect of disposals of all assets made during any Financial Year other than in respect of Mortgaged Properties would not exceed £14 million in that Financial Year,

provided that, in relation to any such disposal (and, in the case of paragraph (b)(iv) above, any corresponding acquisition of assets), the Obligor making the disposal has complied with its obligations under the Issuer/Borrower Facility Agreement and the Tax Deed of Covenant (if any) in relation to that disposal (and acquisition, if any) and the relevant Obligor undertakes, on payment to it of any disposal proceeds, to credit the Disposal Proceeds Account with an amount equal to any tax liability arising in connection with such disposal, such tax reserve to be applied (or released) as if the disposal had been of a Mortgaged Property.

Covenants regarding the acquisition and substitution of Permitted Businesses

A Borrower may make a Permitted Acquisition with the consent of the Borrower Security Trustee. The Borrower Security Trustee will give written consent to the Permitted Acquisition if the proposed acquisition is to be made in accordance with the provisions of the Tax Deed of Covenant (to the extent applicable) and:

(a) the relevant Borrower certifies to the Borrower Security Trustee that no Loan Event of Default is subsisting (which has not been waived) at the time or would arise as a result of the Permitted Acquisition;

(b) the relevant Borrower certifies to the Borrower Security Trustee that the Permitted Acquisition is funded in whole or in part out of:

(i) the proceeds of Additional Term Advances;

(ii) funds certified by the relevant Borrower as Excess Cash where either the Restricted Payment Condition or the Profitability Condition is satisfied;

(iii) amounts standing to the credit of the Disposal Proceeds Account where both the Business Acquisition Condition and the Profitability Condition are satisfied;

(iv) subscription funds received from an Excluded Group Entity or a third party for a sufficient amount of new equity share capital issued by the relevant Borrower; and/or

(v) a loan or deposit of funds made by an Excluded Group Entity to the relevant Borrower in accordance with the terms of the Transaction Documents which is fully subordinated to all amounts present and future owing by the Obligors under the Issuer/Borrower Facility Agreement and the Issuer/Borrower Swap Agreement;

(c) the relevant Borrower certifies to the Borrower Security Trustee that the Permitted Acquisition is made between a willing buyer and a willing seller in an open market arm's length transaction or in respect of an acquisition from a member of the GK Group for fair value;

(d) security is provided over all the assets, shares and undertakings so acquired and legal opinions are obtained in respect of any such security, in each case, to the satisfaction of the Borrower Security Trustee;

(e) the relevant Borrower certifies to the Borrower Security Trustee that the assets, shares and undertakings so acquired are to be employed as a Permitted Business and all material licences, consents and approvals have been or will be obtained prior to such Permitted Acquisition being made;

(f) the relevant Borrower certifies to the Borrower Security Trustee that it has complied with its obligations (if any) under the Issuer/Borrower Facility Agreement and the Tax Deed of Covenant (including, where the consent of the Borrower Security Trustee is given subject to conditions, that it has complied with such conditions) in relation to any disposal transaction related to such Permitted Acquisition where the Permitted Acquisition is part of the substitution of a Mortgaged Property; and

(g) in respect of a Permitted Acquisition which is part of the substitution of a Mortgaged Property only, either the related disposal transaction is a Permitted Disposal and all of the other relevant conditions set out in the section entitled *"Covenants regarding disposal of Mortgaged Properties and related matters"* have been satisfied or the substitution is made in the manner described in the section entitled *"Risk Factors – Considerations relating to the Mortgaged Properties – Substitutions"* above.

Notwithstanding the foregoing, a Borrower shall not be permitted to utilise moneys standing to the credit of the Disposal Proceeds Account to make a Permitted Acquisition where such Permitted Acquisition would result in the Borrowers (in aggregate) having acquired since the First Closing Date, utilising moneys standing to the credit of the Disposal Proceeds Account for such purpose, Short Leaseholds which comprise more than 1.5 per cent. by number of all Mortgaged Properties comprised in the Securitisation Estate unless the Ratings Test is satisfied.

For these purposes:

"**Average Expected Gross Yield**" means, in respect of any Permitted Business or, as the case may be, Permitted Businesses, an amount (as verified by a qualified independent third party), being:

(a) the expected Outlet EBITDA which a Borrower determines (acting reasonably) will be achievable in a 12-month period following the acquisition or, as the case may be, substitution of that Permitted Business or, as the case may be, those Permitted Businesses assuming any intended capital expenditure has been incurred and disregarding any acquisition costs; divided by

(b) the purchase price of that Permitted Business or, as the case may be, those Permitted Businesses or, as applicable, the apportioned value of the relevant properties comprising that Permitted Business or, as the case may be, those Permitted Businesses,

expressed as a percentage.

"**Incidental Mortgaged Property**" means the assets and undertaking of an Obligor (excluding any Mortgaged Property) connected with or carried on at a Mortgaged Property and owned by the relevant Obligor (including any goodwill, fixtures, fittings and other assets located at such Mortgaged Property or used in the business conducted there).

"**Outlet EBITDA**" means EBITDA for a particular pub or Permitted Business calculated on the basis of the earnings of that pub or Permitted Business (as the case may be) but disregarding any provision in respect of taxation of the Securitisation Group.

"**Permitted Acquisition**" means any acquisition (including any acquisition as part of the substitution of a Mortgaged Property being disposed of for a replacement property) by a Borrower of:

(a) any business entity carrying on a Permitted Business, whether or not as a going concern; or

(b) any new real property, including any Incidental Mortgaged Property.

"**Permitted Business**" means a business or a pub or other real or heritable property centred around the ownership and/or operation of premises from which hospitality, catering and other incidental services (including accommodation) are to be provided in the United Kingdom, the primary activity of which is that of owning/operating public houses (in all cases with or without ancillary restaurant facilities, bars or nightclubs) whether managed, leased or tenanted together with any related Permitted Estate Management Transactions and includes, for the avoidance of doubt, a new property as part of such business which is to be a Mortgaged Property.

"**Permitted Estate Management Transactions**" means:

(a) any lease granted at an open market rent on arm's length terms and not at a premium (other than a sale and lease back financing arrangement);

(b) subject always to the restrictions on disposals of Mortgaged Properties and other assets set out in the Issuer/Borrower Facility Agreement and other than a sale and lease back financing arrangement, any property management transaction conducted in the ordinary course of business (including any licence to assign, licence to underlet, licence for alterations, party wall agreement, release of restrictive covenant, right of light agreement, grant of easement and crane oversail agreement);

(c) any planning and highway agreement (including any agreement under section 106 of the Town and Country Planning Act 1990, section 33 of the Local Government (Miscellaneous Provisions) Act 1982, section 111 of the Local Government Act 1972, sections 38, 184 and 278 of the Highways Act 1980 and sections 98 and 104 of the Water Industry Act 1981); and

(d) any deed or document varying or granting a licence or consent pursuant to any of the transactions described in paragraphs (a) to (c) above,

which in any such case does not have a material adverse effect on the trading of a Mortgaged Property.

The "**Profitability Condition**" will be satisfied if:

(a) the Average Expected Gross Yield of the Permitted Business being acquired or substituted is equal to or greater than the aggregate of 1.5 per cent. and the then Weighted Average Interest Rate; and

(b) the historical last 12 months' Outlet EBITDA with respect to all pubs that were acquired by the Securitisation Estate not more than 36 months and not fewer than 18 months prior to the date on which the Profitability Condition is to be tested (the "**Relevant Pubs**") divided by the aggregate purchase price attributable to the Relevant Pubs is equal to or greater than the aggregate of 2.3 per cent. and the then Weighted Average Interest Rate.

"**Short Leasehold**" means a pub, the title to which is leasehold and the maturity date of the relevant lease is earlier than the latest occurring Final Maturity Date of the Notes (or any class thereof) and/or the lease includes provisions whereby, in certain circumstances, the lease may be forfeited or irritated on the insolvency of the relevant leaseholder.

"**Weighted Average Interest Rate**" means, at any time, the average of the rates of interest applicable to each class of the Term Advances (where the rate of interest for the Initial Term A1 Advance, the Second Term A3 Advance, the Third Term A5 Advance, the Second Term B2 Advance and, on and following the Class B1 Step-Up Date, the Initial Term B1 Advance shall be deemed to be the applicable fixed rate payable by the Initial Borrower under the Issuer/Borrower Swap Agreement) weighted according to their respective principal amounts.

Covenant regarding Maintenance Expenditure

The Borrowers are required, in each Financial Year, to incur or reserve an amount equal to:

(a) in respect of the managed pubs forming part of the Securitisation Estate, the greater of (i) 5.5 per cent. of the aggregate historic turnover (exclusive of VAT) of such pubs and (ii) £27,500 per pub (adjusted in accordance with the Retail Price Index published by the Offices of National Statistics or such successor agency or index as approved by the Borrower Security Trustee (the "**RPI**"));

(b) in respect of the tenanted pubs forming part of the Securitisation Estate where such tenanted pubs have not been let on the basis of tenancy agreements containing provisions requiring the tenant to fully repair and insure the relevant pub ("**FRI Tenancy Agreements**"), £3,000 per pub (adjusted in accordance with the RPI); and

(c) in respect of the tenanted pubs forming part of the Securitisation Estate where such tenanted pubs have been let on the basis of FRI Tenancy Agreements, £1,000 per pub (adjusted in accordance with the RPI),

in each case to be applied in Maintenance Expenditure (whether such amounts are expensed through the relevant Borrower's profit and loss account or are capitalised on the relevant Borrower's balance sheet) (the "**Required Maintenance Amount**").

If the Borrowers fail to incur the Required Maintenance Amount in any Financial Year, they will be required to deposit an amount equal to the amount (the "**Capex Reserve Amount**") by which the expenditure actually incurred or anticipated to be incurred is less than the Required Maintenance Amounts in that Financial Year into a designated account maintained by the Initial Borrower and charged to the Borrower Security Trustee (the "**Maintenance Reserve Account**"). The Borrowers shall apply such amount first towards Required Maintenance Amounts which should have been incurred in such preceding Financial Year before the then current Financial Year's Required Maintenance Amount can be incurred. A Borrower may withdraw amounts deposited in the Maintenance Reserve Account only with the prior written consent of the Borrower Security Trustee.

Land Tax Reserve

If queries are raised by, or correspondence is entered into with (including, for the avoidance of doubt, correspondence by or on behalf of a member of the Tax Indemnified Group (as defined above)), H.M. Revenue & Customs or Revenue Scotland in relation to whether the acquisition by a member of the Tax Indemnified Group of the Mortgaged Properties on or before either the First Closing Date, the Second Closing Date, the Third Closing Date or the Fourth Closing Date qualifies for group relief from stamp duty land tax or land and buildings transaction tax, or if H.M. Revenue & Customs or Revenue Scotland opens an enquiry into any land transaction return relating to that acquisition, the Initial Borrower shall in certain circumstances be required to create a reserve (the "**Land Tax Reserve**", such Land Tax Reserve to be paid into the Disposal Proceeds Account in accordance with the provisions of the Tax Deed of Covenant) for the amount of stamp duty land tax or land and buildings transaction tax which it or another member of the Tax Indemnified Group would be liable to pay (together with interest and penalties) in the event of group relief being denied, unless leading tax counsel has provided a written opinion satisfactory to the Borrower Security Trustee that there is no reasonable likelihood that an appeal against any amended assessment to that effect would fail.

Under the terms of the Tax Deed of Covenant, Greene King and GKB&R will, in the circumstances in which the Initial Borrower may be required to create an Land Tax Reserve, be under an obligation either to pay to the Initial Borrower such amount as the Initial Borrower would otherwise be required to reserve (such amounts to be applied by the Initial Borrower in creating the required Land Tax Reserve) or to pay an amount equal to the relevant stamp duty land tax or land and buildings transaction tax to the relevant Tax Authority.

Further Covenants

The Initial Borrower and each other Obligor have also provided the Issuer and the Borrower Security Trustee with the benefit of certain other positive and negative covenants, including, without limitation, as to:

(a) legal status;

(b) maintenance of legal validity;

(c) notification of events of default;

(d) notification of all material litigation, arbitration or administrative proceedings against the relevant company;

(e) repair and maintenance of all Securitisation Group assets;

(f) conduct of business and maintenance of business as a going concern;

(g) keeping all pubs in good order;

(h) maintenance of all necessary licences and consents; and

(i) no Financial Indebtedness save for certain permitted Financial Indebtedness.

The effect of a breach of certain of these and other covenants may be limited by reference to a materiality qualification.

Each Obligor has also undertaken in favour of the Issuer and the Borrower Security Trustee not to create any Security Interest over any of its assets or undertakings other than certain permitted Security Interests (including rights of set-off and other Security Interests arising in the ordinary course of business, liens arising by statute or by operation of law and Security Interests arising under the Borrower Security Documents).

Covenants regarding the provision of financial information

Year-End and Semi-Annual Financial Information

As soon as the same become available, but in any event within 120 days after the end of the fourth Financial Quarter of each of its Financial Years, the Obligors are required (subject to, for so long as the Securitisation Group Parent is a subsidiary of Greene King or any other entity whose shares are listed on an internationally recognised stock exchange (each a "**Listed Parent**"), any extension of time granted to the Listed Parent, by the UK Listing Authority or other relevant listing authority, as the case may be, for the announcement of the Listed Parent's preliminary results) to provide the following to the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent and, upon written request (via the Paying Agents), any Noteholder:

(a) the audited consolidated annual financial statements of the Securitisation Group Parent and its direct and indirect subsidiaries and related auditors' reports for the Financial Year; and

(b) a reconciliation of the revenue and operating profit as shown in the audited consolidated annual financial statements produced in paragraph (a) above to revenue, operating expenses and EBITDA relating to that Financial Year as set out in the most recent Final Investor Report,

except, so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, to the extent that disclosure of such financial information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

As soon as the same become available, but in any event within 90 days after the end of each Semi-Annual Period, the Initial Borrower (on behalf of itself and each other Borrower) is required (subject to, for so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, any extension of time granted to the Listed Parent by the UK Listing Authority or other relevant listing authority, as the case may be, for the announcement of the Listed Parent's interim results) to provide the following to the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent and, upon written request (via the Paying Agents), any Noteholder:

(a) the unaudited, consolidated semi-annual financial statements of the Securitisation Group Parent and its direct and indirect subsidiaries for the Semi-Annual Period; and

(b) a reconciliation of the revenue and operating profit as shown in the unaudited, consolidated semi-annual financial statements produced in paragraph (a) above to revenue, operating expenses and EBITDA relating to that Semi-Annual Period as set out in the Interim Investor Report relating to that Semi-Annual Period,

except, so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, to the extent that disclosure of such financial information would at any time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

Compliance Certificates

Additionally, the information delivered to the Note Trustee, the Issuer Security Trustee, the Borrower Security Trustee and the Rating Agencies in respect of each Financial Year and Semi-Annual Period is required to include a compliance certificate from the Initial Borrower (on behalf of itself and each other Borrower) confirming:

(a) whether or not the FCF DSCR Covenant and the Net Worth Covenant have, when tested at the end of each Financial Quarter or Financial Year respectively, been observed, supported by reasonably detailed calculation;

(b) the amount of all outstanding Financial Indebtedness of the Borrowers as at the end of the relevant Financial Year or, as the case may be, Semi-Annual Period;

(c) that all Financial Indebtedness referred to in paragraph (b) above is Financial Indebtedness permitted by the terms of the Borrower Transaction Documents;

(d) that a copy of any property valuation required by the terms of the Issuer/Borrower Facility Agreement to be delivered by it to the Borrower Security Trustee and the Rating Agencies has been so delivered;

(e) as at the date thereof, whether there has been any waiver of any covenant given by the Obligors and a description thereof;

(f) as at the date thereof, whether or not any Loan Event of Default or Potential Loan Event of Default has occurred and, if it has occurred, a description thereof and the action taken or proposed to be taken to remedy it;

(g) the number of Mortgaged Properties disposed of by way of Permitted Disposals or acquired by way of Permitted Acquisitions, and the number of pubs comprising the Mortgaged Properties for the time being comprising part of the Securitisation Estate (the "**Portfolio**");

(h) details of the aggregate amount of Permitted Acquisitions incurred or committed during each Financial Quarter to which such compliance certificate relates;

(i) (i) the number of pubs in the Portfolio which were acquired from Excluded Group Entities on terms that payment of all or part of the purchase price therefore is deferred or otherwise remains outstanding on a subordinated basis, and (ii) the aggregate revenue of such pubs in the Financial Quarter immediately preceding their acquisition;

(j) whether and when the Restricted Payment Condition was satisfied during each Financial Quarter to which such compliance certificate relates;

(k) appending a list of such material amendments made to material contracts (if any), a list of material contracts entered into since the date of the last compliance certificate which (other than in relation to a third party supply agreement) contain a prohibition on assigning (and a list of such material contracts where consent to assignment was required), together with any new franchise agreements and licences as the Initial Borrower, acting in good faith, considers material to the material interests of the Borrower Secured Creditors and the Borrower Security Trustee; and

(l) notifying any agreed change in the accounting reference period of any Obligor or end of the Financial Year,

except, so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, to the extent that disclosure of such financial information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

Each compliance certificate is also required to have appended to it the unaudited consolidated financial statements of the Securitisation Group Parent and its direct and indirect subsidiaries in respect of the then current Financial Year on a year to date basis from the commencement of the then current Financial Year to the end of the most recent Financial Quarter, including:

(i) consolidated balance sheet and consolidated profit and loss accounts; and

(ii) consolidated cashflows comprising a consolidated statement of the revenues and expenditures of the Securitisation Group together with, in respect of the then current Financial Year on a year to date basis commencing with the first Financial Quarter which ends after the first anniversary after the First Closing Date, a comparison with the performance in the corresponding period of the previous Financial Year,

except, so long as the Securitisation Group Parent is a subsidiary of the Listed Parent, to the extent that disclosure of such financial information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

Investor Reports

As soon as the same become available, but in any event on each Final Investor Reporting Date, the Initial Borrower (on behalf of itself and each other Borrower) is required to deliver to the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent and, upon written request (via the Paying Agents), any Noteholder, a report (the "**Final Investor Report**") comprising information in respect of the performance of itself for each Final Period on a quarterly basis, including the following:

(a) compliance of its audited financial statements with generally accepted accounting principles applied in the United Kingdom;

(b) statements or, as the case may be, calculations of revenue, operating expenses, Operating Profit, EBITDA, Net Worth, Free Cashflow, FCF DSCR, the ratio of EBITDA to Debt Service, the Restricted Payment Maximum and, if applicable, the Further Restricted Payment Maximum;

(c) whether or not the FCF DSCR Covenant has, when tested at the end of each Financial Quarter Date, been observed;

(d) the cumulative Maintenance Expenditure for the Financial Year to date compared to the Required Maintenance Amount;

(e) the amounts standing to the credit of the Obligor Accounts (including the Disposal Proceeds Account and the Maintenance Reserve Account);

(f) the amounts available for drawing and the amounts already drawn by the Issuer under the Liquidity Facilities;

(g) summary details of acquisitions and substitutions of Permitted Business and disposals of Mortgaged Properties;

(h) summary details of Capital Enhancement Expenditure; and

(i) as of the date thereof, whether or not any Loan Event of Default or Potential Loan Event of Default (which, in either case, has not been previously described in an Investor Report) has occurred and, if it has occurred, a description thereof and the action taken or proposed to be taken to remedy it,

except, so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, to the extent that disclosure of such financial information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

As soon as the same become available, but in any event on each Interim Investor Reporting Date, the Initial Borrower (on behalf of itself and the other Borrowers) is required to deliver to the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Note Trustee, the Rating Agencies, the Irish Paying Agent, the Principal Paying Agent and, upon written request (via the Paying Agents), any Noteholder, a report (the "**Interim Investor Report**", the Interim Investor Reports and the Final Investor Reports together being referred to as the "**Investor Reports**") comprising information in respect of the performance of itself for each Semi-Annual Period on a quarterly basis, including substantially the same information to be included in the Final Investor Report except, so long as the Securitisation Group Parent is a subsidiary of a Listed Parent, to the extent that disclosure of such financial information would at that time breach any law, regulation, stock exchange requirement or rules of any applicable regulatory body to which any member of the Listed Parent's group is subject.

The Investor Reports are required to be made available to the Noteholders on Bloomberg (or such other electronic news services as may be approved by the Borrower Security Trustee) under "GKFIN". The Investor Reports will also be available for inspection by the Noteholders at the specified office for the time being of the Principal Paying Agent and the Irish Paying Agent or, upon written request from a Noteholder, the Principal Paying Agent shall arrange for the most recent Investor Report held by it to be sent (by post) to such Noteholder. Such information is also required to be available for inspection by the Noteholders at the specified office for the time being of the Principal Paying Agent and the Irish Paying Agent only.

For these purposes:

"**Final Investor Reporting Date**" means the day which falls on the fifth day after the date of publication of the audited annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries and, if such day is not a Business Day, the following Business Day.

"**Interim Investor Reporting Date**" means the day which falls on the fifth day after the date of publication of the unaudited semi-annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries and, if such day is not a Business Day, the following Business Day.

Appointment of Independent Consultant

The Initial Borrower is, as soon as is reasonably practicable following request by the Borrower Security Trustee, required to appoint an independent consultant approved by the Borrower Security Trustee (the "**Independent Consultant**") if the FCF DSCR ratio as evidenced in the most recent Investor Report is less than 1.2:1. Such appointment shall be made pursuant to the terms of an advisory agreement in a form to be agreed between the Independent Consultant, the Initial Borrower and the Borrower Security Trustee under which the Independent Consultant will agree to provide to the Initial Borrower and/or the Borrower Security Trustee such financial advisory and monitoring services as the Borrower Security Trustee considers necessary or desirable or as may be required by S&P and/or Fitch, including (without limitation) the collation of information in respect of the Initial Borrower, its assets, undertaking and financial condition, a management and performance review and the making of recommendations to the Initial Borrower and the Borrower Security Trustee of the steps which such Independent Consultant considers should be taken to ensure that the Noteholders receive or continue to receive full and timely payments of interest and principal in respect of the Notes in accordance with the Conditions.

The appointment of the Independent Consultant will be terminated if the FCF DSCR for the most recent quarter is above 1.2:1.

Neither the Initial Borrower nor the Borrower Security Trustee will be required to act on recommendations, but where the Initial Borrower decides not to act on any recommendation, the Initial Borrower shall provide an explanation to the Borrower Security Trustee as to why it has decided not to follow such recommendation.

Loan Events of Default

Each of the following events, among others, constitutes a "**Loan Event of Default**" (with a "**Potential Loan Event of Default**" being any event which would become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) a Loan Event of Default):

(a) a failure to pay by an Obligor of any amount (including any amount of principal or interest (including any failure by a Borrower to pay any Step-Up Amounts)) due from it under any Borrower Transaction Document (other than the Services Agreements and the Subscription Agreements) unless payment is made within two Business Days of its due date;

(b) a breach of the Debt Service Covenant or the Net Worth Covenant, where:

  (i) no remedial action has been taken in accordance with the terms set out in the section entitled *"Breach of Debt Service Covenant or Net Worth Covenant"* below; or

  (ii) to the extent such remedial action has been taken, it has not been taken within the prescribed time limit or remedied in the manner set out under the section entitled *"Breach of Debt Service Covenant or Net Worth Covenant"* below;

(c) other than in respect of a breach of any covenant or undertaking set out above or a failure by a Borrower to perform or comply with its covenant to provide financial information in accordance with the Issuer/Borrower Facility Agreement, an Obligor breaches any covenant or undertaking under any Borrower Transaction Document where such breach would or would reasonably be expected to have a Material Adverse Effect, provided that, in any case where such breach is capable of remedy, such breach is not remedied within a period of 30 days following receipt of a notification of breach by such Obligor from the Borrower Security Trustee or (if earlier) the date on which the relevant Obligor becomes aware of that breach;

(d) a Borrower fails to perform or comply with its covenant to provide financial information in accordance with the Issuer/Borrower Facility Agreement, provided that in any case where such failure is capable of remedy, such failure is not remedied within a period of such 60 days following receipt of a notification of breach by such Borrower from the Borrower Security Trustee or (if earlier) the date on which the relevant Borrower becomes aware of that failure;

(e) the termination of some or all of the IP Licences, where such termination would reasonably be expected to have a Material Adverse Effect;

(f) the termination in whole or in part of the Intra Group Supply Agreement in circumstances in which the arrangements (or absence of arrangements) in place immediately following such termination for the continued supply of the products which are the subject of the Intra Group Supply Agreement or, as the case may be, relevant part thereof, would reasonably be expected to have a Material Adverse Effect;

(g) the termination in whole or in part of the Management Services Agreement in circumstances in which the arrangements (or absence of arrangements) in place immediately following such termination for the continued supply of such of the central management and administration services as are affected by that termination would reasonably be expected to have a Material Adverse Effect;

(h)

(i) any Obligor is unable or admits its inability to pay its debts as they fall due or suspends the payment of all or a substantial part of its debts or announces an intention to do so; or

(ii) the value of the assets of any Obligor is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

(i) an Obligor or, in relation to administration, its directors take corporate action, or other steps are taken or legal proceedings are commenced against such Obligor, for its winding-up, dissolution, administration or reorganisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise, other than a solvent reorganisation) or for the appointment of a liquidator, receiver, administrator, administrative receiver or similar officer of it or any material part of its revenue or assets, provided that it will not be a Loan Event of Default to the extent that any petition or proceeding is being contested in good faith and any such action, step or proceeding is withdrawn or discharged within 30 days of its commencement;

(j) any execution, distress or diligence is levied against:

(i) the whole or any part of the property, undertaking or assets (other than cash assets) of an Obligor (disregarding for this purpose any execution, distress or diligence relating to such property, undertaking or assets (other than cash assets) with an aggregate value not in excess of £15,000,000); or

(ii) the whole or any part of the cash assets of an Obligor (disregarding for this purpose any execution, distress or diligence relating to such cash assets with an aggregate value not in excess of £10,000,000),

and, in each case, where such execution, distress or diligence is not being contested in good faith;

(k) any event occurs or proceedings are taken with respect to an Obligor in any jurisdiction to which it is subject or in which it has assets which has an effect similar to or equivalent to any one of the events mentioned in paragraphs (h), (i) and (j) above;

(l) an Obligor ceases or suspends or threatens to cease or suspend all or a material part of its operations or business for a period of more than 30 days, other than pursuant to a solvent reorganisation or a Permitted Disposal;

(m) any representation, warranty or statement made or repeated by an Obligor in any of the Borrower Transaction Documents to which it is a party is or proves to have been incorrect (in the case of a representation or warranty) or misleading (in the case of a statement) in any respect when made or repeated, provided that in any case where such breach is capable of remedy, such breach is not remedied within a period of 30 days of receipt of a notification by such Obligor of a breach from the Borrower Security Trustee or (if earlier) the date on which the relevant Obligor becomes aware of that breach;

(n) it is or becomes unlawful for an Obligor to comply with any or all of its obligations under any of the Borrower Transaction Documents or to own its assets or carry on its business where, in each case, the effect of such unlawfulness would or would reasonably be expected to have a Material Adverse Effect, unless the circumstances giving rise to such illegality are capable of remedy and are remedied within a period of 30 days following notice of such illegality to such Obligor or any of the obligations of such Obligor under any Borrower Transaction Document to which it is a party are not or cease to be legal, valid and binding;

(o) an Obligor or any Excluded Group Entity which is party to the Tax Deed of Covenant fails duly to perform or comply with any of its covenants or breaches any of its representations or warranties in the Tax Deed of Covenant where such failure or breach would or would reasonably be expected to have a Material Adverse Effect, provided that, in any case where such breach is capable of remedy, such breach is not remedied within a period of 30 days following receipt of a notification of failure or breach by such Obligor or Excluded Group Entity from the Borrower Security Trustee or (if earlier) the date on which the relevant Obligor or Excluded Group Entity becomes aware of that failure or breach;

(p)

(i) an Obligor fails to pay when due (or within any applicable grace period) its Financial Indebtedness other than Financial Indebtedness arising under a Borrower Transaction Document or any Financial Indebtedness fully subordinated in accordance with the terms set out in the Borrower Security Documents; or

(ii) any Financial Indebtedness of an Obligor is declared in accordance with its terms (by reason of an event of default, howsoever described) to be, or otherwise becomes in accordance with its terms, due and payable prior to its specified maturity and is not paid by such Obligor,

where, in both or either of paragraph (i) or (ii) above, such Financial Indebtedness amounts in aggregate at any one time to more than £10,000,000 (or its equivalent in other currencies);

(q) an Obligor or any of the Services Companies repudiates or disaffirms the validity of any Borrower Transaction Document;

(r) the audit report from the auditors who prepared the audited financial statements of the Obligors delivered by them to the Borrower Security Trustee evidences the occurrence of a Material Adverse Effect (disregarding paragraphs (a)(iii) and (b) of the definition of Material Adverse Effect);

(s) the commencement of any litigation, arbitration, administrative proceedings or governmental or regulatory investigations, proceedings or disputes against an Obligor or its respective assets, revenues or undertakings which, in any such case, would be likely to be adversely determined against it and which would or would, if so adversely determined, be reasonably expected to have a Material Adverse Effect;

(t) the beneficial interest in any of the issued share capital of any Obligor (other than the Securitisation Group Parent) ceases to be held directly or indirectly by the Securitisation Group Parent, except if such issued share capital has been disposed of by way of a disposal permitted by the terms of the Issuer/Borrower Facility Agreement and the Tax Deed of Covenant;

(u) the beneficial interest in any of the issued share capital of the Securitisation Group Parent ceases to be held directly or indirectly by Greene King, except if such issued share capital has been disposed of by way of a disposal permitted by the terms of the Tax Deed of Covenant; or

(v) a Note Event of Default occurs.

Breach of Debt Service Covenant or Net Worth Covenant

If a breach of the Debt Service Covenant or the Net Worth Covenant occurs, the Borrowers shall have 45 days from the date on which they become aware of such breach in which to remedy it:

(a) through the subscription by any Excluded Group Entity or a third party for a sufficient amount of new fully paid up equity share capital in one or more Borrowers which, if the relevant amount subscribed for had been deposited in an interest bearing account would have been sufficient (i) in the case of the Debt Service Covenant, to generate quarterly interest which if available as earnings to the Borrowers throughout the Relevant Period or, as the case may be, Relevant Year, would have meant that no such breach would have occurred and (ii) in the case of the Net Worth Covenant, such that no breach would have occurred; and/or

(b) through the deposit of funds in an interest bearing account on a fully subordinated basis which would have been sufficient (i) in the case of the Debt Service Covenant, to generate quarterly interest which if available as earnings to the Borrowers throughout the Relevant Period or, as the case may be, Relevant Year, would have meant that no such breach would have occurred and (ii) in the case of the Net Worth Covenant, such that no breach would have occurred; and/or

(c) by way of prepayment of the Term Advances in accordance with the section entitled *"Prepayment of Term Advances"* or, as the case may be, *"Prepayment of Additional Term Advances and Purchase of Additional Notes"* above such that (excluding Debt Service in respect of the debt having been repaid) no breach would have occurred, save that the Borrowers shall make such prepayments of the relevant Term Advances (i) *first*, *pro rata* and *pari passu* in or towards satisfaction of the Term A Advances and (ii) *second*, *pro rata* and *pari passu* in or towards satisfaction of the Term AB2 Advance and (iii) *third*, *pro rata* and *pari passu* in or towards satisfaction of the Term B Advances; and/or

(d) by way of purchase of Notes in accordance with the section entitled *"Prepayment of Term Advances – Deemed Prepayment Upon Purchase of Notes by the Borrower"* above, such that (excluding Debt Service in respect of the debt having been repaid) no breach would have occurred, save that a Borrower will only be entitled to purchase Class B Notes so long as there are no Class A Notes or Class AB2 Notes outstanding, and will only be entitled to purchase Class AB2 Notes so long as there are no Class A Notes outstanding.

If there is an issue of equity or a borrowing of subordinated debt, such equity may be redeemed and/or such subordinated debt may be repaid or prepaid (and the terms of such subordinated debt may be amended to enable its prepayment or repayment) in advance of the stated term upon the Borrowers satisfying the Borrower Security Trustee that the Debt Service Covenant or, as the case may be, the Net Worth Covenant would be met without the additional equity or subordinated debt in place for a period of two consecutive Financial Quarters.

Breach of Covenants relating to disposals, acquisitions and substitutions of Mortgaged Properties

The Initial Borrower (on behalf of itself and each other Obligor) is required to deliver a certificate on a semi-annual basis to the Borrower Security Trustee certifying, *inter alia*, that there has been no breach by any of the Obligors of their covenants contained in the Issuer/Borrower Facility Agreement which would constitute a Loan Event of Default or a Potential Loan Event of Default. If such compliance certificate shows such a breach by an Obligor of any of the covenants set out in the section entitled *"Covenants regarding disposal of Mortgaged Properties and related matters"* or *"Covenant regarding acquisition and substitution of Permitted Businesses"* above or if there is a breach of such covenants, the Borrower Security Trustee will be entitled to require that Obligor to register mortgages over all of the Mortgaged Properties in England and Wales to the extent not already done so.

Acceleration, Cancellation and Enforcement of the Term Advances

Consequence of Loan Event of Default

The occurrence of a Loan Event of Default under the Issuer/Borrower Facility Agreement will entitle the Borrower Security Trustee to declare all or any part of the outstanding Term Advances and other sums payable under the Issuer/Borrower Facility Agreement to be immediately due and repayable together with all accrued interest thereon. In particular, it will entitle the Borrower Security Trustee:

(a) to the extent not already done so, to request the Obligors to register mortgages or standard securities over the Mortgaged Properties in England and Wales; and

(b) to enforce the Borrower Security by delivering a notice (a "**Loan Enforcement Notice**") which will result in the floating charges contained in the Borrower Deed of Charge over the assets, property and undertaking of the Obligors crystallising so as to become fixed charges. The floating charge of each Obligor contained in the Borrower Deed of Charge will automatically crystallise so as to become a fixed charge on the occurrence of, among other things, an insolvency event in relation to such Obligor. All moneys standing to the credit of all of the Obligor Accounts may, in either of these circumstances, only be withdrawn with the prior consent of the Borrower Security Trustee.

The occurrence of a Loan Event of Default under the Issuer/Borrower Facility Agreement will not, of itself, constitute a Note Event of Default under the Notes. However, the occurrence of a Note Event of Default will entitle the Borrower Security Trustee to declare all or any part of the outstanding Term Advances and other sums payable under the Issuer/Borrower Facility Agreement immediately due and repayable together with all accrued interest thereon and enforce the Borrower Security by the delivery of a Loan Enforcement Notice.

Governing Law

The Issuer/Borrower Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Borrower Security Documents

The Obligors provide security in favour of the Borrower Security Trustee in respect of obligations owed to the Borrower Secured Creditors pursuant to the Borrower Deed of Charge. The Original Borrower Deed of Charge was entered into on the First Closing Date and has been supplemented by the Initial Borrower Supplemental Mortgages, the First Supplemental Borrower Deed of Charge was entered into on the Second Closing Date, the Second Supplemental Borrower Deed of Charge was entered into on the Third Closing Date and the Third Supplemental Borrower Deed of Charge will be entered into on the Fourth Closing Date (together, the "**Borrower Deed of Charge**").

Pursuant to the Third Supplemental Borrower Deed of Charge, the Initial Borrower will undertake to grant standard securities in favour of the Borrower Security Trustee in respect of each of the Further Mortgaged Properties located in Scotland (the "**Standard Securities**").

As at the Fourth Closing Date, the Borrower Security Trustee will hold the benefit of the security created in its favour under or pursuant to the Borrower Deed of Charge (which together with any deed of accession relating to the Borrower Deed of Charge, the Standard Securities, any security powers of attorney granted by the Obligors and any other document granted in favour of the Borrower Security Trustee creating or evidencing security for obligations owed to the Borrower Secured Creditors are referred to as the "**Borrower Security Documents**") on trust for the benefit of itself and the Issuer, the Cash Manager, the Account Banks, Supply Co, Management Co, any receiver of any Obligor appointed by the Borrower Security Trustee, Greene King (as lender under the Initial Borrower Subordinated Loan Agreement) and any other creditor of the Obligors who in due course accedes to the Borrower Deed of Charge in accordance with the terms thereof (the "**Borrower Secured Creditors**").

Borrower Security

Under the terms of the Original Borrower Deed of Charge as supplemented by the First Supplemental Borrower Deed of Charge, the Initial Borrower Supplemental Mortgages, the Second Supplemental Borrower Deed of Charge and the Third Supplemental Borrower Deed of Charge, each Obligor has provided, or will on the Fourth Closing Date provide, the Borrower Security Trustee (acting on behalf of itself and the Borrower Secured Creditors) with the benefit of, *inter alia*, the security over its property, assets and undertaking (together with any further security created by the other Borrower Security Documents, the "**Borrower Security**"), including:

(a) a first fixed charge expressed by way of legal mortgage (or, in Scotland, a standard security or, as appropriate, assignation in security) over the pubs in the Securitisation Estate legally owned by it including all estates or interests in such property and (in the case of the Consent Leasehold Mortgaged Properties in respect of which landlord's consent to transfer to the relevant Obligor is required and until a supplemental legal mortgage has been entered into following the transfer of the relevant legal interest to the Obligor) a first fixed equitable charge over the Obligor's beneficial interest in and to the Consent Leasehold Mortgaged Properties (the assets subject to such first fixed charges being the "**Mortgaged Properties**") and all buildings, trade and other fixtures, fixed plant and machinery from time to time on such freehold, heritable or leasehold property;

(b) a first fixed charge over the Disposal Proceeds Account and the Maintenance Reserve Account (which may take effect as a floating charge and thus rank behind the claims of certain preferential creditors and other creditors);

(c) an assignment by way of first fixed security of all of its right, title, interest and benefit in and to the Transaction Documents (including the Intra Group Supply Agreement and the Management Services Agreement and including those further Transaction Documents to be entered into on or about the Fourth Closing Date) and all rights in respect of and incidental thereto;

(d) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to each of the relevant policies of insurance or assurance (i) set out in the schedules to the Borrower Deed of Charge; (ii) taken out by or on behalf of any Obligor as are usually taken out by a reasonably prudent owner of a portfolio of property of the same nature as the relevant property in a comparable location; and (iii) taken out by or on behalf of any Obligor in which any Obligor may at the time of the First Closing Date or thereafter have an interest, and to all claims payable and paid thereunder (which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors);

(e) an assignment by way of first fixed security of all intellectual property rights including all of the Initial Borrower's right, title, interest and benefit in and to the IP Licences and the IP Option and of statutory licences, consents and authorisations, present and future, held by it or otherwise used by it in connection with its business and all rights in and in respect of and incidental thereto (which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors);

(f) a first fixed charge over all book debts and other debts and all other moneys and liabilities whatsoever for the time being due, owing or payable to it and all rights in and in respect of and incidental thereto (which may be subject to the obtaining of third party consents and may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors);

(g) a first fixed equitable mortgage over the entire issued share capital held by it in each of its subsidiaries and all dividends, interest and other moneys payable in respect of such share capital (including redemption, any bonus or any rights arising under any preference, option, substitution or conversion relating to such share capital);

(h) an assignment by way of first fixed security of all its right, title and interest in and to amounts payable under or in respect of the Lease Agreements and the benefit of each tenant's covenant and obligation to pay rent thereunder, including all rights to receive payment of any amount payable thereunder and all payments received thereunder including, without limitation, all rights of action in respect of any breach thereof and all rights to receive damages or obtain relief in respect thereof (which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors);

(i) a first floating charge over the whole of its assets (including, *inter alia*, over all other bank accounts of the Obligors) and undertaking not effectively charged by first ranking fixed security (other than any assets and rights situated in, or governed by the laws of, Scotland ("**Scottish Assets**")); and

(j) a first floating charge (ranking behind the claims of certain preferential and other creditors) over the whole of its Scottish Assets.

Non-Petition

Each Obligor has covenanted that, broadly speaking, while any amount remains due and outstanding under the Issuer/Borrower Facility Agreement, it will not take any steps or pursue any action for the purpose of recovering any debts due or owing to it by any other Obligor or the Issuer or, as applicable, to petition or procure the petitioning for the winding-up or administration (whether out of court or otherwise) of any Obligor or the Issuer or the appointment of an administrative receiver in respect of any such company or to take or omit to take any steps whatsoever that may otherwise threaten or prejudice the security created in favour of the Borrower Security Trustee under the Borrower Deed of Charge.

Each of the Borrower Secured Creditors has agreed and will agree that, unless an enforcement notice (a "**Loan Enforcement Notice**") has been served, it will not take any steps whatsoever for the purpose of recovering any debts due or owing to it by any Obligor or to petition or procure the petitioning for the winding-up or administration (whether out of court or otherwise) of any Obligor or the appointment of an administrative receiver in respect of any such company.

The Issuer (and the other Borrower Secured Creditors) is not entitled to proceed directly against any Obligor unless the Borrower Security Trustee, having become bound so to proceed, fails to do so within three days of being so bound and such failure is continuing.

Upon the service of a Loan Enforcement Notice pursuant to the terms of the Issuer/Borrower Facility Agreement, all payments under or arising from the Issuer/Borrower Facility Agreement and/or the Borrower Security Documents (subject as provided below) will be required to be made to the Borrower Security Trustee or to its order. All rights or remedies provided for by the Borrower Security Documents or available at law or in equity will (for so long as there are any Issuer Secured Liabilities outstanding) be exercisable by the Borrower Security Trustee (unless otherwise expressly provided in the Borrower Deed of Charge) as directed by the Issuer Security Trustee (except in the case of the appointment of an administrative receiver in the circumstances described in the section entitled *"Appointment of an administrative receiver"* below, where no direction will be required).

Appointment of an administrative receiver

If any person who is entitled to do so presents an application for the appointment of an administrator of any Obligor, a notice of intention to appoint an administrator of any Obligor is received by the Borrower Security Trustee or documents are filed with the court or registrar for the administration of any Obligor (whether out of court or otherwise), the Borrower Security Trustee shall upon receipt of such application or notice:

(a) within four business days of receipt or presentation of the application for the appointment of an administrator or, if the applicant has abridged the time for making the application, within such abridged time;

(b) within four business days of receipt of the notice of intention to appoint an administrator or, if the applicant has abridged the time for making the application, within such abridged time; or

(c) within one business day of receipt of written notice of appointment of an administrator pursuant to paragraph 15 of Schedule B1 of the Insolvency Act or, if the applicant has abridged the time for making the application, within such abridged time,

appoint, by writing or deed, such person or persons (including an officer or officers of the Borrower Security Trustee) as the Borrower Security Trustee considers appropriate to be an administrative receiver of any such Obligor and, in the case of the appointment of more than one person, to act together or independently of the other or others.

For the above purposes, "**business day**" shall have the meaning given to it in the Insolvency Act.

If the Borrower Security Trustee is unable to appoint an administrative receiver in accordance with the above provisions prior to the hearing of an application brought pursuant to the Insolvency Act 1986, the Borrower Security Trustee shall attend the hearing of the application to oppose the application or make such submissions in regard to the application as the Borrower Security Trustee in its absolute discretion determines to be appropriate. The Borrower Security Trustee shall not be liable for any failure to appoint an administrative receiver under the Borrower Security Documents, save in the case of its own gross negligence, wilful default or fraud.

In addition, the Borrower Security Trustee will (subject to the matters described in *"Indemnity of the Borrower Security Trustee"* below), following the delivery of a Loan Enforcement Notice by the Borrower Security Trustee, enforce the Borrower Security in respect of any Obligor by the appointment of an administrative receiver (if the Borrower Security Trustee has not already done so pursuant to the foregoing).

The Borrower Security Trustee shall not be liable for any failure to appoint an administrative receiver, save in the case of its own gross negligence, wilful default or fraud.

Indemnity of the Borrower Security Trustee

The Borrower Security Trustee is not and will not be obliged to appoint an administrative receiver unless it is indemnified and/or secured to its satisfaction. However, the Borrower Deed of Charge provides that in the event that the Borrower Security Trustee is required to enforce the Borrower Security by appointing an administrative receiver following receipt of actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, the Borrower Security Trustee has agreed that it is already adequately indemnified and secured in respect of such appointment by virtue of its rights against the Obligors under the Borrower Deed of Charge and the security which it has in respect of such rights. The Obligors have covenanted in the Borrower Deed of Charge that, in the event that the Borrower Security Trustee appoints an administrative receiver by reason of having actual notice of an application for the appointment of an administrator or actual notice of the giving of a notice of intention to appoint an administrator, they waive any claim against the Borrower Security Trustee in respect of such appointment.

Borrower Priorities of Payments

Borrower Pre-Enforcement Priority of Payments

Prior to the delivery by the Borrower Security Trustee of a Loan Enforcement Notice, the Initial Borrower is entitled to withdraw amounts standing to the credit of the Operating Accounts on any day other than a Loan Payment Date to be applied, *inter alia* (i) in paying its ongoing operating costs, expenses and taxes (including, for the avoidance of doubt, in making payments to Supply Co under the Intra Group Supply Agreement and Management Co under the Management Services Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses then due) to the extent that such expenses are not expressly dealt with in paragraphs (a) to (o) below (but excluding paragraph (c)(i)), (ii) in making Permitted Acquisitions, (iii) in making Restricted Payments (provided that no such Restricted Payments may be made to the extent that it would result in the Borrowers not having sufficient moneys standing to the credit of the Obligor Accounts to make each of the payments set out in paragraphs (a) to (n) below in full on the immediately succeeding Loan Payment Date) and (iv) in or towards Capital Enhancement Expenditure, in each case in accordance with the Issuer/Borrower Facility Agreement and the Tax Deed of Covenant.

On each Loan Payment Date prior to the delivery by the Borrower Security Trustee of a Loan Enforcement Notice, amounts standing to the credit of the Operating Accounts and/or the Borrower Transaction Account shall be applied to make the following payments to the extent they are payable on such Loan Payment Date (after meeting all ongoing operating costs and expenses as described above) in the following order of priority (the "**Borrower Pre-Enforcement Priority of Payments**"), including, in each case, any amount in respect of value added tax payable thereon:

(a) *first*, in or towards satisfaction of the amounts due in respect of the fees, other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and any costs, charges, liabilities and expenses then incurred by the Borrower Security Trustee or on its behalf under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee or any of its appointees under the Borrower Security Documents, together with interest thereon as provided for therein;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata,* of any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement other than to the extent that such amounts represent the amounts described in paragraphs (d) and (l) below;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

   (i) the Obligors to the Account Banks, *pari passu* and *pro rata* according to the respective amounts due thereto, under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and

   (ii) the Obligors to the Cash Manager under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(d) *fourth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer (to the extent not funded by the payment of interest on the Term Advances and by payments by the Initial Borrower under the Issuer/Borrower Swap Agreement) by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in relation to the amounts due but unpaid to a Swap Counterparty under an Interest Rate Swap Agreement (other than in respect of any Swap Subordinated Amounts) or, if the transactions under an Interest Rate Swap Agreement have been terminated, in or towards satisfaction of any additional amounts necessary to enable the Issuer to meet its obligations in relation to interest and principal due and payable under the Notes;

(e) *fifth*, if applicable, in or towards payment to the credit of the Maintenance Reserve Account of an amount equal to the Capex Reserve Amount;

(f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Borrowers to the Issuer in respect of interest due or accrued due but unpaid under the Term A1 Advances (other than any Term A1 Step-Up Amounts), the Term A2 Advances, the Term A3 Advances (other than any Term A3 Step-Up Amounts), the Term A4 Advances, the Term A5 Advances (other than any Term A5 Step-Up Amounts) and the Term A6 Advances;

(ii) the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement; and

(iii) the Borrowers to the Issuer in respect of the Retained Profit Amount;

(g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and other amounts payable in respect of the Term A1 Advances (other than any Term A1 Step-Up Amounts), the Term A2 Advances, the Term A3 Advances (other than any Term A3 Step-Up Amounts), the Term A4 Advances, the Term A5 Advances (other than any Term A5 Step-Up Amounts) and the Term A6 Advances;

(h) *eighth*, in or towards satisfaction of interest due or accrued but unpaid under the Term AB2 Advances;

(i) *ninth*, in or towards satisfaction of all amounts or principal and other amounts payable in respect of the Term AB2 Advances;

(j) *tenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due or accrued but unpaid under the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(k) *eleventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and other amounts payable in respect of the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(l) *twelfth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the Issuer's obligations in relation to any Liquidity Subordinated Amounts; and

(ii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the Issuer's obligations in relation to any Swap Subordinated Amounts;

(m) *thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term A1 Step-Up Amounts, any Term A3 Step-Up Amounts and any Term A5 Step-Up Amounts;

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term B1 Step-Up Amounts and any Term B2 Step-Up Amounts; and

(o) *fifteenth*, to the Initial Borrower and/or any other Obligor for its own use in or towards payment of any other amounts in accordance with the Borrower Transaction Documents (including, without limitation, in or towards Capital Enhancement Expenditure) and subject to and towards payment of any Liquidity/Debt Service Loan as required under clause 7.5 of the Account Bank and Cash Management Agreement and crediting any such Liquidity/Debt Service Loan to the Debt Service Reserve Account.

In addition, if the Initial Borrower is required as described in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement – Land Tax Reserve"* above to create a Land Tax Reserve, the Initial Borrower shall to the extent not funded by Greene King or GKB&R under the Tax Deed of Covenant provide for amounts in respect of the Land Tax Reserve to be paid into the Disposal Proceeds Account to create such reserve immediately senior to any sum payable or to be provided for at paragraph (l) above but immediately junior to sums payable or to be provided for under paragraph (k) above and, to the extent that the Initial Borrower is required to make a balancing payment in respect of any transfer pricing or thin capitalisation adjustment in accordance with the terms of the Tax Deed of Covenant, the Initial Borrower will be entitled to make such a payment in accordance with those terms and that payment will be provided for at paragraph (m) above.

Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments

Upon the service of a Loan Enforcement Notice, the Borrower Security Trustee may cancel the commitment of the Issuer to make Additional Term Advances, declare the Term Advances due and payable immediately or on demand, and/or otherwise exercise all rights available to it, including the enforcement of the security granted by the Obligors.

To the extent that the Borrower Security Trustee decides not to accelerate the Term Advances as described above, it may declare the security enforceable through the service of a Loan Enforcement Notice, such notice to be given to, *inter alios*, the Borrower Secured Creditors. The effect of such service will be, *inter alia*, to crystallise any floating charge created under the Borrower Deed of Charge, including those over the Collection Accounts, the Operating Accounts and the Borrower Transaction Account. At the same time, the Borrower Security Trustee may exercise its powers to appoint a receiver, manager, receiver and manager or administrative receiver (a "**Receiver**") in respect of each Obligor and thereafter the Borrower Security Trustee and/or a receiver appointed by the Borrower Security Trustee will have control over the Obligor Accounts and, to the extent of the funds available, will cause them to be applied in the following order of priority (the "**Borrower Post-Enforcement (Pre-Acceleration) Priority of Payments**"), including, in each case, any amount in respect of value added tax payable thereon:

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of:

  (i) the fees and other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and any costs, charges, liabilities and expenses then incurred by the Borrower Security Trustee or on its behalf under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee or any of its appointees (other than the Receiver) under the Borrower Security Documents, together with interest thereon as provided for therein; and

  (ii) the fees and other remuneration and indemnity payments (if any) payable to the Receiver and any costs, charges, liabilities and expenses incurred by the Receiver and any other amounts payable to the Receiver under the Borrower Security Documents, together with interest thereon as provided therein;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of:

  (i) any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees, other remuneration and indemnity payments (if any) payable to the Note Trustee, any Receiver and other appointees (if any) appointed by the Note Trustee under the Note Trust Deed and any costs, charges, liabilities and expenses incurred by the Note Trustee and other appointees (if any) (as the case may be) under the Note Trust Deed and any other amounts payable to the Note Trustee under the Note Trust Deed, together with interest thereon as provided for therein; and

(ii) any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee subject to and in accordance with the terms of the Issuer Deed of Charge, and any costs, charges, liabilities and expenses incurred by the Issuer Security Trustee and by any appointees (if any) under the Issuer Deed of Charge (including, for the avoidance of doubt, any Receiver) and any other amounts payable to the Issuer Security Trustee and any such entity or entities under the Issuer Deed of Charge or such trust deed pursuant to which such entity or entities is/are appointed (as the case may be), together with interest thereon as provided for therein;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents and the Agent Bank incurred by the Issuer under the Agency Agreement;

(ii) the Obligors to the Account Banks, *pari passu* and *pro rata* according to the respective amounts due thereto, under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(iii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses of the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of amounts of principal and interest and any Liquidity Subordinated Amounts);

(iv) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of any amounts due and owing by the Issuer to the Account Banks under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(v) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of any amounts due and owing by the Issuer to the Cash Manager under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(vi) the Obligors to the Cash Manager under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and

(vii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses of the Corporate Services Provider under the Corporate Services Agreement;

(d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Initial Borrower to:

(i) Supply Co under the Intra Group Supply Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and

(ii) Management Co under the Management Services Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses under the Management Services Agreement;

(e) *fifth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the Issuer's obligations to third parties (including to any Tax Authority) incurred in the course of the Issuer's business (other than as provided elsewhere in this priority of payments) that have become due and payable;

(f) *sixth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer (to the extent not funded by the repayment of principal and the payment of interest on the Term Advances) by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in respect of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of any Liquidity Subordinated Amounts);

(g) *seventh*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer (to the extent not funded by the payment of interest on the Term Advances) by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in relation to the amounts due but unpaid to a Swap Counterparty under an Interest Rate Swap Agreement (other than in respect of any Swap Subordinated Amounts) or, if the transactions under an Interest Rate Swap Agreement have been terminated, in or towards satisfaction of any additional amounts necessary to enable the Issuer to meet its obligations in relation to interest and principal due and payable under the Notes;

(h) *eighth*, if applicable, in or towards payment to the credit of the Maintenance Reserve Account of an amount equal to the Capex Reserve Amount;

(i) *ninth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

   (i) the Borrowers to the Issuer in respect of interest due or accrued but unpaid under the Term A1 Advances (other than any Term A1 Step-Up Amounts), the Term A2 Advances, the Term A3 Advances (other than any Term A3 Step-Up Amounts), the Term A4 Advances, the Term A5 Advances (other than any Term A5 Step-Up Amounts) and the Term A6 Advances;

   (ii) the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement; and

   (iii) the Borrowers to the Issuer in respect of the Retained Profit Amount;

(j) *tenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and other amounts payable in respect of the Term A1 Advances (other than any Term A1 Step-Up Amounts), the Term A2 Advances, the Term A3 Advances (other than any Term A3 Step-Up Amounts), the Term A4 Advances, the Term A5 Advances (other than any Term A5 Step-Up Amounts) and the Term A6 Advances;

(k) *eleventh*, in or towards satisfaction of interest due or accrued but unpaid under the Term AB2 Advances;

(l) *twelfth*, in or towards satisfaction of all amounts of principal and other amounts payable in respect of the Term AB2 Advances;

(m) *thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of interest due or accrued due but unpaid under the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and other amounts payable in respect of the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(o) *fifteenth*, in or towards satisfaction of any amounts due and payable by the Obligors in respect of all United Kingdom corporation tax and other tax for which the Obligors are liable;

(p) *sixteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the Issuer's obligations in relation to any Liquidity Subordinated Amounts; and

(ii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the Issuer's obligations in relation to any Swap Subordinated Amounts;

(q) *seventeenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term A1 Step-Up Amounts, any Term A3 Step-Up Amounts and any Term A5 Step-Up Amounts;

(r) *eighteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term B1 Step-Up Amounts and any Term B2 Step-Up Amounts; and

(s) *nineteenth*, the surplus (if any) shall be deposited promptly in an Operating Account.

The Borrower Security Trustee may, at any time following the enforcement of the security under the Borrower Deed of Charge, discontinue such enforcement, provided that the circumstances that, *inter alia*, gave rise to enforcement no longer apply and provided further than no other Loan Event of Default has occurred and is continuing. Following the discontinuance of such enforcement, the Obligors shall make payments in the manner described in the section entitled *"Borrower Pre-Enforcement Priority of Payments"* above.

Borrower Post Enforcement (Post-Acceleration) Priority of Payments

All moneys received or recovered by the Borrower Security Trustee or the Receiver in respect of the Borrower Security following enforcement of the Borrower Security after the delivery by the Borrower Security Trustee of a Loan Enforcement Notice, the acceleration of the Term Advances and the Borrower Security Trustee having taken any steps to enforce such security shall be applied by or on behalf of the Borrower Security Trustee or, as the case may be, the Receiver (unless otherwise required by operation of law) in accordance with the following priority of payments (the "**Borrower Post Enforcement (Post-Acceleration) Priority of Payments**", and together with the Borrower Pre-Enforcement Priority of Payments and the Borrower Post Enforcement (Pre-Acceleration) Priority of Payments, the "**Borrower Priorities of Payments**"), including, in each case, any amount in respect of value added tax payable thereon:

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of:

(i) the fees, other remuneration and indemnity payments (if any) payable to the Borrower Security Trustee and any costs, charges, liabilities and expenses then incurred by the Borrower Security Trustee or on its behalf under the Borrower Security Documents and any other amounts payable to the Borrower Security Trustee or any of its appointees (other than the Receiver) under the Borrower Security Documents, together with interest thereon as provided for therein; and

(ii) the fees, other remuneration and indemnity payments (if any) payable to the Receiver and any costs, charges, liabilities and expenses incurred by the Receiver and any other amounts payable to the Receiver under the Borrower Security Documents, together with interest thereon as provided therein;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of:

(i) any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees, other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee, any Receiver and other appointees (if any) appointed by the Issuer Security Trustee under the Issuer Deed of Charge and any costs, charges, liabilities and expenses incurred by the Issuer Security Trustee and other appointees (if any) under the Issuer Deed of Charge (including, for the avoidance of doubt, any Receiver) and any other amounts payable to the Issuer Security Trustee under the Issuer Deed of Charge, together with interest thereon as provided for therein; and

(ii) any amounts due and owing by the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees, other remuneration and indemnity payments (if any) payable to the Note Trustee subject to and in accordance with the terms of the Note Trust Deed, and any costs, charges, liabilities and expenses incurred by the Note Trustee and by any appointees under the Note Trust Deed and any other amounts payable to the Note Trustee and any such entity or entities under the Note Trust Deed or such trust deed pursuant to which such entity or entities is/are appointed (as the case may be), together with interest thereon as provided for therein;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents and the Agent Bank incurred by the Issuer under the Agency Agreement;

(ii) the Obligors to the Account Banks, *pari passu* and *pro rata* according to the respective amounts due thereto, under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(iii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses of the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of amounts of principal and interest and any Liquidity Subordinated Amounts);

(iv) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of any amounts due and owing by the Issuer to the Account Banks under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(v) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of any amounts due and owing by the Issuer to the Cash Manager under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses;

(vi) the Obligors to the Cash Manager under the Account Bank and Cash Management Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and

(vii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses of the Corporate Services Provider under the Corporate Services Agreement;

(d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Initial Borrower to:

(i) Supply Co under the Intra Group Supply Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses; and

(ii) Management Co under the Management Services Agreement in respect of fees, other remuneration, indemnity payments, costs, charges and expenses under the Management Services Agreement;

(e) *fifth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer (to the extent not funded by the repayment of principal and the payment of interest on the Term Advances) by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in respect of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Providers (and all facility agents and arrangers under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of any Liquidity Subordinated Amounts);

(f) *sixth*, in or towards satisfaction of any amounts due and owing by the Obligors to the Issuer (to the extent not funded by the payment of interest on the Term Advances) by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in relation to the amounts due but unpaid to the Swap Counterparty under an Interest Rate Swap Agreement (other than in respect of any Swap Subordinated Amounts) or, if the relevant transaction under an Interest Rate Swap Agreement has been terminated, in or towards satisfaction of any additional amounts necessary to enable the Issuer to meet its obligations in relation to interest and principal due and payable under the Notes;

(g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Borrowers to the Issuer in respect of their obligations to pay interest due or accrued due but unpaid under the Term A1 Advances, the Term A2 Advances, the Term A3 Advances, the Term A4 Advances, the Term A5 Advances and the Term A6 Advances (other than any Term A1 Step-Up Amounts, any Term A3 Step-Up Amounts and any Term A5 Step-Up Amounts;

(ii) the Initial Borrower to the Issuer under the Issuer/Borrower Swap Agreement; and

(iii) the Borrowers to the Issuer in respect of the Retained Profit Amount;

(h) *eighth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of or any amounts due and owing by the Obligors to the Issuer in respect of their obligations to repay principal and all other amounts then due under the Term A1 Advances (other than any Term A1 Step-Up Amounts), the Term A2 Advances, the Term A3 Advances (other than any Term A3 Step-Up Amounts), the Term A4 Advances, the Term A5 Advances (other than any Term A5 Step-Up Amounts) and the Term A6 Advances;

(i) *ninth*, in or towards satisfaction of any amounts due to the Issuer in respect of the Obligors' obligations to pay interest due but unpaid under the Term AB2 Advances;

(j) *tenth*, in or towards satisfaction, of any amounts due to the Issuer in respect of the Obligors' obligations to repay principal and all other amounts due under the Term AB2 Advances;

(k) *eleventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due to the Issuer in respect of the Obligors' obligations to pay interest due but unpaid under the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(l) *twelfth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due to the Issuer in respect of the Obligors' obligations to repay principal and all other amounts due under the Term B1 Advances (other than any Term B1 Step-Up Amounts) and the Term B2 Advances (other than any Term B2 Step-Up Amounts);

(m) *thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by:

(i) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all the Issuer's obligations in relation to any Liquidity Subordinated Amounts; and

(ii) the Obligors to the Issuer by way of Ongoing Facility Fee under the Issuer/Borrower Facility Agreement in respect of all of the Issuer's obligations in relation to any Swap Subordinated Amounts;

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term A1 Step-Up Amounts, any Term A3 Step-Up Amounts and any Term A5 Step-Up Amounts;

(o) *fifteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Obligors to the Issuer in respect of any Term B1 Step-Up Amounts and any Term B2 Step-Up Amounts; and

(p) *sixteenth*, the surplus (if any) to the Obligors.

Governing Law

The Borrower Deed of Charge and any non-contractual obligations arising out of or in connection with it are governed by English law (other than in respect of any fixed or floating charge over Scottish Assets, which shall be governed by Scots law).

Issuer/Borrower Swap Agreement

The Initial Borrower, on the First Closing Date, entered into the original back-to-back hedging arrangements (the "**Original Issuer/Borrower Swap Agreement**") with the Issuer, on the Second Closing Date, entered into new back-to-back hedging arrangements (the "**Second Issuer/Borrower Swap Agreement**") and, on the Third Closing Date, entered into new back-to-back hedging arrangements (the "**Third Issuer/Borrower Swap Agreement**", together with the Original Issuer/Borrower Swap Agreement and the Second Issuer/Borrower Swap Agreement, the "**Issuer/Borrower Swap Agreement**"). As the Issuer will be purchasing and cancelling in full the Class AB1 Notes on or around the Fourth Closing Date, the Issuer and RBS as Swap Counterparty have agreed to terminate in full the swap transaction under the relevant Interest Rate Swap Agreement relating to the Class AB1 Notes on such date, with an early termination amount payable by the Issuer to RBS. As a consequence, the corresponding swap transaction under the Issuer/Borrower Swap Agreement shall also terminate on such date with a corresponding early termination amount payable by the Borrower to the Issuer. In addition, the Issuer and RBS as Swap Counterparty have agreed to amend the swap transaction under such Interest Rate Swap Agreement relating to the Class A5 Notes, the amendment being to change the fixed rate payable by the Issuer to RBS as Swap Counterparty effective from and including such date and such that there will be immediately after such amendment a zero mark-to-market value in respect of such transaction, with a "recouponing" premium payable by the Issuer to RBS (to reflect the fact that immediately before such amendment RBS would be "in-the-money" under such transaction). As a consequence, the corresponding swap transaction under the Issuer/Borrower Swap Agreement shall also be amended on such date with a corresponding "recouponing" premium payable by the Borrower to the Issuer.

The terms of the Issuer/Borrower Swap Agreement are, and will be, in all material respects, equivalent to those of the Interest Rate Swap Agreements (as to which see the section entitled *"Description of the Issuer Transaction Documents – Interest Rate Swap Agreement"* below) save that, *inter alia*, neither the Issuer nor the Initial Borrower are required to maintain minimum ratings, the Issuer is not obliged to make any additional payment under the Issuer/Borrower Swap Agreement in circumstances where it is obliged to make a withholding or deduction from a payment made by it to the Initial Borrower and provided that the Issuer is only required to make payments to the Initial Borrower to the extent that it has received the corresponding amounts from a Swap Counterparty under the relevant Interest Rate Swap Agreement.

The Issuer/Borrower Swap Agreement is governed by English law.

Account Bank and Cash Management Agreement

The Account Bank and Cash Management Agreement was entered into on the First Closing Date by the Obligors, the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Cash Manager and the Initial Account Bank pursuant to which the Cash Manager was appointed to act as cash manager in respect of amounts standing from time to time to the credit of the Obligor Accounts and the Issuer Accounts and will be amended and restated on or about the Fourth Closing Date (with the Additional Account Bank also becoming party thereto).

In this section of this Prospectus, the Account Bank and Cash Management Agreement will be described insofar as it relates to the Obligors and the Obligor Accounts. For details concerning the Account Bank and Cash Management Agreement insofar as it relates to the Issuer and the Issuer Accounts, see the section entitled *"Description of the Issuer Transaction Documents – Account Bank and Cash Management Agreement"* below.

The Cash Manager may, in certain circumstances, without the consent of the Borrower Security Trustee, sub-contract or delegate its obligations in respect of the Obligor Accounts under the Account Bank and Cash Management Agreement (including to the Borrower). Notwithstanding any subcontracting or delegation of the performance of any of its obligations under the Account Bank and Cash Management Agreement, the Cash Manager will not be released or discharged from any liability thereunder and will remain responsible for the performance of its obligations under the Account Bank and Cash Management Agreement by any sub-contractor or delegate. In return for the services provided, the Cash Manager will receive a quarterly fee.

The appointment of an Account Bank or the Cash Manager under the Account Bank and Cash Management Agreement will automatically terminate upon the occurrence of certain insolvency events in respect of such Account Bank and the Cash Manager, respectively. In addition, in the event that GKB&R is in breach of its obligations under the Account Bank and Cash Management Agreement, the Initial Borrower and the Issuer will (subject to the expiry of certain grace periods) be entitled to (and shall, if so directed by the Borrower Security Trustee or Issuer Security Trustee as applicable) terminate the appointment of GKB&R under the Account Bank and Cash Management Agreement (or any other company in the GK Group appointed thereunder) as the Cash Manager in relation to obligations performed on behalf of the Obligors and/or in relation to the Obligor Accounts and/or in relation to obligations to be performed on behalf of the Issuer and/or in relation to the Issuer Accounts, as the case may be. In the event that an Account Bank is in breach of its obligations under the Account Bank and Cash Management Agreement or it ceases to be an Eligible Bank or a Qualifying Bank, the Obligors and/or the Issuer will be entitled to (and shall, if so directed by the Borrower Security Trustee or Issuer Security Trustee as applicable) terminate the appointment of such Account Bank under the Account Bank and Cash Management Agreement.

Each Account Bank represents and warrants that it is a credit or other institution authorised to accept deposits under the Financial Services and Markets Act 2000, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the Minimum Short-Term Ratings (an "**Eligible Bank**").

Initial Borrower Accounts

The Initial Borrower maintains a number of current accounts into which all revenues of the Securitisation Estate are (and will be required to be) received (the "**Collection Accounts**"). Pursuant to the Account Bank and Cash Management Agreement, moneys received into the Collection Accounts may be swept, at the discretion of the Cash Manager, into one of two specified operating accounts established in the name of Initial Borrower (the "**Operating Accounts**") or into the Initial Borrower's main transaction account (the "**Borrower Transaction Account**"). Moneys may not be withdrawn from a Collection Account except for the purposes of effecting a transfer to an Operating Account or the Borrower Transaction Account or to return amounts credited to such accounts in error.

Operational and day-to-day payments of the Initial Borrower and the other Obligors are, and will continue to be, made from the Operating Accounts.

Pursuant to the Account Bank and Cash Management Agreement, the Initial Borrower maintains with the Initial Account Bank the Disposal Proceeds Account and the Maintenance Reserve Account (together the "**Specific Accounts**" and, together with the Collection Accounts, the Borrower Transaction Account and the Operating Accounts, the "**Obligor Accounts**").

Each Account Bank has undertaken not to exercise any rights of set-off, lien, counterclaim or consolidation of accounts in respect of the Obligor Accounts other than in respect of the Collection Accounts and the Operating Account held with it only, certain limited rights of set-off in respect of, *inter alia*, properly incurred fees of such Account Bank.

Moneys credited to any of the Obligor Accounts may be invested in Eligible Investments provided that in respect of any Eligible Investments to be made from any of the Specific Accounts, the Initial Borrower enters into such additional documents, and obtains the provision of any legal opinions requested by the Borrower Security Trustee in respect thereof, as the Borrower Security Trustee may require for the Initial Borrower to grant first fixed security over its interest in any such Eligible Investments acquired.

"**Eligible Investments**" means:

(a) sterling gilt-edged securities provided that such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment) and A-1 by S&P or (B) have a maturity date of 365 days (for at least the price paid for the relevant investment) and are rated at least A-1 by S&P;

(b) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper), provided that in all cases such investments have a maturity date falling no later than the next following Interest Payment Date (in respect of investments made by or on behalf of the Issuer) or Loan Payment Date (in respect of investments made by or on behalf of any Obligor) and that the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised bank under the Financial Services and Markets Act 2000) are rated by S&P and by at least one of Fitch and Moody's Investor Services Limited ("**Moody's**") at not less than "A-1" (by S&P) and (if rated by Fitch) "F1" and (if rated by Moody's) "P-1";

(c) investments made in money management funds rated by S&P and by at least one of Fitch and Moody's at not less than "A-1" or "AAAm" by S&P and (if rated by Fitch) "F1" or "AAA" and (if rated by Moody's) "P-1" or "Aaa", provided that in all cases such investments have a maturity date falling no later than the next following Interest Payment Date (in respect of investments made by or on behalf of the Issuer) or Loan Payment Date (in respect of investments made by or on behalf of any Obligor); and

(d) in the case of moneys standing to the credit of the Disposal Proceeds Account only, investments made in money management funds, provided that in all cases such investments have a maturity date falling no later than 12 months from the date upon which the relevant moneys were credited to the Disposal Proceeds Account and that the relevant money management funds are rated by S&P and by at least one of Fitch and Moody's at not less than "AAAm" by S&P and (if rated by Fitch) "AAA" by Fitch and (if rated by Moody's) "Aaa".

No withdrawals are permitted to be made from any Obligor Account to the extent that such withdrawal would result in the aggregate net balance of all Obligor Accounts being less than zero.

The Initial Borrower and the Account Banks are prohibited from making any material amendments to the mandates in relation to the Obligor Accounts without the prior consent of the Borrower Security Trustee.

Borrower Transaction Account

On or prior to each Loan Payment Date, the Cash Manager shall ensure that the amounts standing to the credit of the Operating Accounts and/or the Borrower Transaction Account are sufficient to enable the Initial Borrower to satisfy its payment obligations under the Issuer/Borrower Facility Agreement and the other Transaction Documents on the relevant Loan Payment Date.

Disposal Proceeds Account

The Initial Borrower has established the Disposal Proceeds Account, the principal purpose of which is receiving and subsequently applying Sales Proceeds as more particularly described in the section entitled *"Issuer/Borrower Facility Agreement – Covenants regarding disposal of Mortgaged Properties and related matters – Application of Proceeds of Disposals of a Mortgaged Property"* above. No withdrawals are, or will be, permitted to be made from the Disposal Proceeds Account without the prior consent of the Borrower Security Trustee.

Maintenance Reserve Account

The Initial Borrower has established the Maintenance Reserve Account for the purpose of, to the extent necessary, depositing any Capex Reserve Amounts. No withdrawals are, or will be, permitted to be made from the Maintenance Reserve Account without the prior consent of the Borrower Security Trustee.

Requirement for Eligible Bank

If an Account Bank ceases to be an Eligible Bank, the Initial Borrower will be required to arrange for the transfer of the relevant accounts to an Eligible Bank on terms acceptable to the Borrower Security Trustee (including the accession of such Eligible Bank to the Borrower Deed of Charge).

Governing Law

The Account Bank and Cash Management Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Services Agreements

Overview

The Borrower entered into certain arrangements with Supply Co and Management Co. These include arrangements for drinks, food and other products to be supplied to the Borrower, arrangements regarding central management and other administration services and the provision of unit level staff and the grant of intellectual property licences in favour of the Borrower.

Intra Group Supply Agreement

On the First Closing Date, the Initial Borrower entered into an intra group supply agreement (the "**Intra Group Supply Agreement**", which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time, including, for the avoidance of doubt, as amended and restated on the Second Closing Date and on the Third Closing Date) with Supply Co. The Intra Group Supply Agreement sets out the terms upon which Supply Co supplies or procures (subject to certain exceptions) as the exclusive supplier of the Initial Borrower, the supply of all products (such as beer, wines, spirits and other drinks, food and other supplies) to the Initial Borrower. The terms and conditions on which Supply Co provides products and services supplied by third party suppliers to the Initial Borrower are the terms and conditions from time to time in effect under the supply agreements which Supply Co has entered (or may enter) into with third party suppliers. Supply Co will supply its own products and services to the Initial Borrower on arm's length terms and conditions. Supply Co may supply products and services to any other person (whether within or outside the GK Group).

The obligation to supply each individual product is several so that if the terms of supply in respect of one product are breached, it will not cross-default the other supply arrangements under the Intra Group Supply Agreement. The Initial Borrower has no right to terminate or vary any third party supply agreement.

The Intra Group Supply Agreement contains provisions which:

(a) describe the scope of the supply services and the consequences of failure to perform the services;

(b) set out the basis of charging for the products and the mechanism by which the pricing may be reviewed;

(c) set out a mechanism pursuant to which the obligation to pay liquidated damages, payable on the breach of minimum purchase or minimum stock commitments to which Supply Co is subject (under third party supply agreements), are passed on to the Initial Borrower, *pro rata* to the commitments of Supply Co in relation to products and services purchased on its own account or supplied to other persons under third party supply agreements (provided that any minimum purchase or minimum stock obligation allocated to the Initial Borrower does not exceed a relevant proportion of the volume of such product purchased by the Initial Borrower in the previous period in respect of which such minimum purchase or minimum stock obligation applies); and

(d) result in the termination of a particular supply obligation under the Intra Group Supply Agreement where the corresponding third party supply agreement is terminated. Supply Co may also terminate its provision of all supplies if the Initial Borrower fails to pay amounts due and payable to it or if the Initial Borrower fails in any material respect to observe or perform any of its other material obligations under the Intra Group Supply Agreement. In addition, Supply Co may terminate its obligations by serving written notice to the Initial Borrower (copied to the Borrower Security Trustee), provided that, amongst other conditions, the Borrower Security Trustee consents to such termination, a substitute supplier of the products and services is appointed and (unless otherwise agreed by an Extraordinary Resolution of the Noteholders) the Ratings Test is satisfied.

The Initial Borrower may, with the prior consent of the Borrower Security Trustee, terminate the appointment of Supply Co if Supply Co fails in any material respect to observe or perform any of the material terms or conditions of the Intra Group Supply Agreement (subject to a grace period to remedy such breach, if such breach is capable of remedy) and upon certain insolvency events relating to Supply Co. The Initial Borrower may, with the consent of the Borrower Security Trustee, terminate the Intra Group Supply Agreement within six months if the Initial Borrower and Supply Co cease to be affiliated group entities.

The Intra Group Supply Agreement is governed by English law.

Management Services Agreement

On the First Closing Date, the Initial Borrower entered into a management services agreement (the "**Management Services Agreement**", which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time, including, for the avoidance of doubt, as amended and restated on the Second Closing Date and on the Third Closing Date) with Management Co, the Employee Cos and the Borrower Security Trustee pursuant to which Management Co (and in certain circumstances, the Employee Cos) agreed to provide or procure the provision to the Initial Borrower of certain management and administration services in respect of the Securitisation Estate. These services include the provision of all pub level and, to the relevant extent, non-pub level employees and certain centrally procured or provided services (including IT, executive, property, finance, operations, communications and marketing, risk and compliance management, record keeping and training services and other group-wide arrangements).

The Initial Borrower pays Management Co and/or the Employee Cos a fee in respect of the services provided by it pursuant to the Management Services Agreement. The fee in respect of the unit level employees is the costs incurred by Management Co in respect of their services plus a margin and certain unit level expenses. The fee in respect of the services provided by the non-unit level employees is the Securitisation Estate's proportionate share of the costs incurred by Management Co in respect of their services plus a margin and certain non-unit level expenses.

The Management Services Agreement incorporates provisions in relation to the central management and administration services to be provided to the Initial Borrower. The central management and administration services are provided to the Initial Borrower by Management Co on a non-exclusive basis (Management Co may provide similar services to other persons whether within or outside the GK Group).

Management Co may delegate all or part of its duties under the Management Services Agreement at its own cost but will remain liable to the full extent of its duties and obligations undertaken notwithstanding any such delegation.

Management Co is only entitled to terminate the Management Services Agreement without the consent of the Borrower Security Trustee and without Management Co needing to have first secured a replacement service provider following an unremedied non-payment of its fees by the Initial Borrower. Management Co may, however, also terminate its appointment provided that the Borrower Security Trustee consents in writing to such termination, a replacement service provider approved by the Borrower Security Trustee has been appointed and (unless otherwise agreed by an Extraordinary Resolution of Noteholders) the Ratings Test is satisfied.

The Initial Borrower may (with the prior written consent of the Borrower Security Trustee) terminate the appointment of Management Co if Management Co is in material breach of its obligations and this has a Material Adverse Effect (subject to a grace period to remedy such breach, if such breach is capable of remedy) and upon certain insolvency events relating to Management Co. If there has been a breach by Management Co under the Management Services Agreement, the Initial Borrower may also (with the prior written consent of the Borrower Security Trustee) revoke (whether permanently or temporarily) Management Co's duties to provide the relevant services which are the subject of the breach (subject to, in relation to certain central administration services, such termination not having a material overall impact on the ability of Management Co to provide remaining services under the Management Services Agreement) and provided that a suitable replacement service provider has been appointed in respect of the services proposed to be terminated or suspended. Further the Initial Borrower may, with the consent of the Borrower Security Trustee, and with six months' prior written notice, terminate the Management Services Agreement if the Initial Borrower and Management Co and/or the Employee Cos cease to be affiliated group entities.

In the event of the termination of the Management Services Agreement, depending on the grounds for such termination, the Initial Borrower will be entitled to call for a transfer to it from the Employee Cos of employees who are engaged in its business at an individual pub level in order to ensure that it can continue to operate the Securitisation Estate and to facilitate, if desired, the sale of the Securitisation Estate as a going concern. To the extent that any such employee transfer would not in any event be effected pursuant to the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended) ("**TUPE**"), the Management Services Agreement will provide a contractual framework intended to achieve the same results in the event of a valid termination thereof. The Initial Borrower and Management Co have agreed to negotiate with each other in good faith in relation to the allocation between them of any non-pub level employees in the event of a termination of the Management Services Agreement.

The Management Services Agreement is governed by English law.

IP Licences and Related Agreements

On the First Closing Date, the Initial Borrower entered into an intellectual property licence agreement (the "**IP Licence Agreement**", which expression shall include reference to such document as amended, restated, supplemented and/or novated from time to time, including, for the avoidance of doubt, as amended and restated on the Second Closing Date and on the Third Closing Date and as will be further amended and restated on or about the Fourth Closing Date) with Supply Co which granted to the Initial Borrower, or procured the grant, or will, following its amendment and restatement on the Fourth Closing Date, grant or procure the grant, to the Initial Borrower of, a non-exclusive licence to use all intellectual property rights that are either used in the business of the Securitisation Estate and the pubs to be transferred into the Securitisation Estate on the date on which they are transferred into the Securitisation Estate or that are reasonably necessary for the operation of the business of the Securitisation Estate during the continuation of the IP Licence Agreement, and that, in either case, as at the date of the IP Licence Agreement or at any time during the continuation of the IP Licence Agreement, are owned by or licensed to Supply Co (or any member of the GK Group) and are not otherwise owned by or licensed to the Initial Borrower (the "**Business IPRs**"), excluding all intellectual property rights relating to beverages manufactured by Supply Co. The IP Licence Agreement is royalty free.

The IP Licence Agreement, together with any other licences granted to the Initial Borrower on or after the First Closing Date (the "**IP Licences**") together with the Intra Group Supply Agreement and the Management Services Agreement are referred to herein as the "**Services Agreements**".

The IP Licence Agreement is assignable by the Initial Borrower to the Borrower Security Trustee pursuant to the Borrower Deed of Charge without the consent of Supply Co, or to a third party in the event of the sale of all outlets operated by the Initial Borrower under any of the licensed Business IPRs. The IP Licence Agreement is not assignable on a disposal of individual outlets within the Securitisation Estate. Supply Co will covenant to the

Initial Borrower and to the Borrower Security Trustee to use all reasonable endeavours to maintain registrations for the licensed trade marks and to pursue any pending applications (including new applications for trade marks applied to the Securitisation Estate) and grants to the Initial Borrower a security power of attorney to remedy breaches of this obligation. Supply Co covenants to the Initial Borrower and to the Borrower Security Trustee not to dispose of, or grant security over, the Business IPRs (with the exception of the floating charges granted by the Supply Co prior to the date of the IP Licence Agreement).

Supply Co is entitled to grant further licences under the licensed Business IPRs to third parties, which shall be on no more favourable terms than the IP Licence Agreement with the Initial Borrower. The Initial Borrower is given protection against the activities of Supply Co and other licensees devaluing the Securitisation Estate by certain mutual quality control covenants (which are also given in favour of the Borrower Security Trustee).

After delivery of a Loan Enforcement Notice, neither party may make a material change to the theme or format of the relevant branded outlets or to the Business IPRs used in them without the prior written consent of the other and of the Borrower Security Trustee.

Supply Co and the Initial Borrower are obliged to notify each other promptly if they become aware of any attack on the validity of Supply Co's ownership of any of the Business IPRs (a "**Validity Attack**") or of any actual or suspected infringement of any of the Business IPRs (an "**Infringement**"). Supply Co must diligently give consideration to any Validity Attack or Infringement, consult the Initial Borrower concerning the action (if any) it proposes to take and shall pursue all action reasonable and appropriate to deal with the Validity Attack or Infringement.

If Supply Co fails to bring such proceedings, the Initial Borrower shall have the right, at its expense, to commence defence or infringement proceedings.

Supply Co provides certain warranties to the Initial Borrower and the Borrower Security Trustee, including, for example, that Supply Co has authority to grant the licence of the Business IPRs, that the operations of the Securitisation Estate do not infringe any intellectual property rights of a third party and that Supply Co (or a member of the Supply Co group) owns or has validly licensed to it all of the Business IPRs. Supply Co also indemnifies the Initial Borrower against any claim that use of the Business IPRs in accordance with the terms of the IP Licence Agreement infringes any intellectual property rights of a third party.

The IP Licence Agreement also contains a call option (the "**IP Option**") in respect of the Business IPRs (other than (A) any intellectual property rights held by or licensed to Greene King Investments Limited ("**GKI**") that have been licensed or sub-licensed to the GKB&R (the "**GKI IPRs**"), provided that (i) if at any time GKR ceases to be an Affiliate of GKI, the GKI IPRs shall not constitute any IPRs and (ii) if at any time GKI ceases to hold or be licensed in respect of certain IPRs, the GKI IPRs shall not include such IPRs and (B) "GREENE KING", "1799", "Belhaven", "Hardys & Hansons", "Hardy's" and "Hardys" trade marks (and related logos) or domain names) (the "**Option IPRs**"). Under the terms of the IP Option, the Initial Borrower will have a right to call for the assignment to it of the Option IPRs in certain circumstances.

The IP Option will be exercisable by the Initial Borrower if one or more of the following occur: (i) Supply Co purports to terminate or repudiate the IP Licence Agreement other than in accordance with its terms; (ii) the Initial Borrower loses its rights under the IP Licence Agreement other than in accordance with its terms or as a result of its own actions or omissions; (iii) Supply Co breaches, or is likely to breach, its covenant not to dispose of or grant security over the Business IPRs while the IP Licence Agreement is in force; or (iv) Supply Co ceases to be an affiliate of the Initial Borrower ((i) to (iv) together, the "**Pre-insolvency Triggers**"); or (v) certain other standard insolvency triggers, including where an order is made or a resolution is passed for the winding-up of Supply Co, or where an administration order is made or a receiver is appointed in respect of Supply Co (the "**Insolvency Triggers**").

The Initial Borrower may exercise the IP Option, where triggered by a Pre-insolvency Trigger, on payment of a nominal sum, or where triggered by an Insolvency Trigger, on payment of a sum equal to the market value of the Option IPRs as at the date of the exercise of the IP Option (as determined by an independent expert appointed by the Borrower Security Trustee for such purpose).

In the event that the Initial Borrower exercises the IP Option, and has assigned to it the Option IPRs, it is obliged to license the Option IPRs to Supply Co on terms equivalent to the IP Licence Agreement.

The IP Licence Agreement will continue in force until such time as all Borrower Secured Liabilities have been paid in full (upon which it will terminate automatically), or until the relevant licensed intellectual property is assigned to the Initial Borrower, upon the exercise of the IP Option (upon which the IP Licence Agreement shall only terminate in respect of the Option IPRs). Supply Co and the Initial Borrower will not otherwise have any right to terminate the IP Licence Agreement, except in respect of the "GREENE KING", "1799", "Belhaven", "Hardys & Hansons", "Hardy's" and "Hardys" marks (and related logos) and certain domain names in the event that the Initial Borrower commits a material breach of its obligations or undertakings under the IP Licence Agreement in respect of those marks.

Under the IP Licence Agreement, Supply Co will also grant to the Initial Borrower certain non-exclusive sub-licences to use certain intellectual property rights previously linked to Spirit Pub Company plc, which will not be subject to the IP Option.

The IP Licence Agreement and the IP Option are governed by English law.

In this Prospectus, "**IPRs**" means:

(a) copyright, patents, inventions, database rights and Know-how, trade marks, service marks, logos, get-up (including, without limitation, the theme and format of any Branded Outlet), and registered designs and design rights (each whether registered or unregistered);

(b) applications for registration and the right to apply for registration, for any of the above; and

(c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world.

Initial Borrower Subordinated Loan Agreement

On the First Closing Date, Greene King and, *inter alios*, the Initial Borrower entered into a subordinated loan agreement (which agreement, as amended, restated, supplemented and/or novated from time to time, including as amended and restated on or about the Second Closing Date and on the Third Closing Date and as it will be further amended and restated on the Fourth Closing Date, is referred to herein as the "**Initial Borrower Subordinated Loan Agreement**"). Pursuant to the Initial Borrower Subordinated Loan Agreement, Greene King advanced to the Initial Borrower (i) on the First Closing Date, a subordinated loan in an initial aggregate principal amount of £215,239,719 (the "**First Subordinated Loan**"), (ii) on the Second Closing Date, a further subordinated loan in an aggregate principal amount of £221,687,500 (the "**Second Subordinated Loan**") and (iii) on the Fourth Closing Date, a further subordinated loan in an aggregate principal amount of £112,006,139.04 (the "**Third Subordinated Loan**" and together with the First Subordinated Loan and the Second Subordinated Loan, the "**Initial Borrower Subordinated Loan**").

Interest accrued in respect of the outstanding balance of the Initial Borrower Subordinated Loan will only be paid to the extent permitted by the provisions of the Issuer/Borrower Facility Agreement and to the extent that funds are available pursuant to the relevant Borrower Priority of Payments and will otherwise defer (and itself accrue interest) until such funds are available in accordance with the Issuer/Borrower Facility Agreement and the Borrower Deed of Charge. In addition, no amounts of principal will be due or repayable by the Initial Borrower:

(i) in respect of the First Subordinated Loan, prior to the date on which Degrouping Tax Liabilities (as defined in the Tax Deed of Covenant) in respect of the first initial borrower asset transfer agreement dated the First Closing Date and the assets transferred pursuant thereto are no longer contingently payable and are not actually payable or if actually payable have been discharged in accordance with the provisions of the Tax Deed of Covenant;

(ii) in respect of the Second Subordinated Loan, prior to the date on which the Degrouping Tax Liabilities in respect of the Second Initial Borrower Asset Transfer Agreement and the assets transferred pursuant thereto are no longer contingently payable and are not actually payable or if actually payable have been discharged in accordance with the provisions of the Tax Deed of Covenant; and

(iii) in respect of the Third Subordinated Loan, prior to the Final Discharge Date.

The Initial Borrower Subordinated Loan Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Tax Deed of Covenant

On the First Closing Date, Greene King, GKB&R, the members of the Tax Indemnified Group, the Issuer, the Issuer Parent, the Borrower Security Trustee and the Issuer Security Trustee entered into a deed of covenant (which deed of covenant, as amended and restated from time to time, including as amended and restated on or about the Second Closing Date and on or about the Third Closing Date and as it is to be amended and restated on or about the Fourth Closing Date, is referred to herein as the "**Tax Deed of Covenant**"). Pursuant to the Tax Deed of Covenant, among other things, all of the parties thereto which are members of the GK Group have made and will, on the Fourth Closing Date, make representations and have given and will, on the Fourth Closing Date, give warranties and covenants with a view to protecting the Issuer, the Issuer Parent and the members of the Tax Indemnified Group from various tax-related risks. Among the matters covered by such representations, warranties and covenants are VAT grouping, thin capitalisation issues, tax residency, group tax matters and secondary tax liabilities and degrouping charges (as to which, see below).

Under the Tax Deed of Covenant, Greene King, GKB&R and Spirit Pub Company Limited have undertaken to the Borrower Security Trustee, the Issuer Security Trustee, the Issuer, the Issuer Parent and the Tax Indemnified Group to indemnify (on an after-tax basis), *inter alios*, each member of the Tax Indemnified Group against, *inter alia*:

(a) any charge or liability to corporation tax on chargeable gains under section 179 of the Taxation of Chargeable Gains Act 1992 or any charge or liability to stamp duty land tax or land and buildings transaction tax as a result of the withdrawal of group relief under paragraph 3 of Schedule 7 to the Finance Act 2003 (for SDLT) and under part 3 Schedule 10 of the Land and Buildings Transaction Tax (Scotland) Act 2013 (and certain other tax liabilities which arise on degrouping) whether or not such charge or liability arises in relation to the transfer of assets to or within the Tax Indemnified Group on or before the First Closing Date (those transfers occurring on or before the First Closing Date being "**Initial Transfers**") or the Second Closing Date (those transfers occurring on or before the Second Closing Date being "**Second Transfers**") or the Third Closing Date (those transfers occurring on or before the Third Closing Date being "**Third Transfers**") or the Fourth Closing Date (those transfers occurring on or before the Fourth Closing Date being "**Fourth Transfers**") or on any subsequent date on which Further Notes or New Notes are issued (any such transfers being "**Tap Transfers**") and against all associated costs or expenses incurred by the Tax Indemnified Group (as the case may be) (together the "**Degrouping Tax Liabilities**"); and

(b) any secondary tax liabilities in respect of transfers between, on the one hand, the Tax Indemnified Group and, on the other hand, other companies in the GK Group (such transfers, whether made by a company which is a member of the Tax Indemnified Group to a company within the Greene King group which is not such a company or vice versa, being "**Intra-Group Transfers**"), including under section 190 of the Taxation of Chargeable Gains Act 1992 and paragraph 5 of Schedule 7 to the Finance Act 2003 (such liabilities being "**Intra-Group Secondary Tax Liabilities**").

If, amongst other things:

(a) certain events occur which, broadly, would or might reasonably be expected to give rise to any actual or contingent Degrouping Tax Liabilities in respect of the Initial Transfers, Second Transfers, Third Transfers, Fourth Transfers or Tap Transfers (each such event being a "**Degrouping Collateral Trigger Event**"); or

(b) subsequent transfers to members of the Tax Indemnified Group from companies which are not members of the Tax Indemnified Group are made which give rise to aggregate actual or contingent Degrouping Tax Liabilities in respect of Intra-Group Transfers other than the Initial Transfers, Second Transfers, Third Transfers, Fourth Transfers or Tap Transfers in excess of, broadly, £104 million (each such transfer being a "**Collateralisable Transfer**"),

Greene King, GKB&R and Spirit Pub Company Limited are required to provide cash collateral to the Tax Indemnified Group in respect of their potential obligations under the above indemnities in an amount equal to the Estimated Liability Amount, such cash collateral to be deposited in an account designated by the relevant member of the Tax Indemnified Group and charged to the Borrower Security Trustee (the "**Contingent Tax Security Account**"). However, in circumstances where the Restricted Payment Condition is satisfied and Greene King and/or GKB&R and/or and Spirit Pub Company Limited are required to provide such cash collateral, the Initial Borrower may, provided it has funds available to it to make Restricted Payments (for the avoidance of doubt the Initial Borrower shall not have such funds available to it to the extent that it is obliged to make payments in accordance with the Cash Sweep (as defined below), shall pay into the Contingent Tax Security Account an amount out of Excess Cash not greater than the Estimated Liability Amount thereby reducing the amount of collateral otherwise to be provided by Greene King, GKB&R and Spirit Pub Company Limited under the Tax Deed of Covenant.

For these purposes:

"**Estimated Liability Amount**" means (broadly):

(a) in the case of a Degrouping Collateral Trigger Event, the maximum amount of the actual or contingent Degrouping Tax Liabilities in relation to the Initial Transfers which might reasonably be expected to arise as a result of the relevant Degrouping Collateral Trigger Event based on the facts at that time; or

(b) in the case of a Collateralisable Transfer, the maximum amount of the actual or contingent Degrouping Tax Liabilities in relation to the relevant Collateralisable Transfer based on the facts at that time,

in each case less any amounts representing such tax already standing to the credit of the Contingent Tax Security Account and plus or minus (as the case may be) an amount sufficient to ensure that the relevant member of the Tax Indemnified Group would receive such amount as is mentioned above on an after-tax basis were it to become beneficially entitled to such amount.

Under the terms of the GK Security Deed, Greene King will provide certain security to the GK Security Trustee in respect of its and GKB&R's obligations to indemnify the Tax Indemnified Group for, and to provide cash collateral in respect of, the above-mentioned Degrouping Tax Liabilities in respect of the Initial Transfers (together the "**Secured Tax Deed Obligations**"), as to which see the section entitled *"Description of the Borrower Transaction Documents – GK Security Deed"* below.

The Tax Deed of Covenant is governed by English law.

GK Security Deed

On the First Closing Date, Greene King entered into the GK Security Deed with, *inter alios*, HSBC Trustee (C.I.) Limited (in such capacity, and together with such other entity or entities appointed as security trustee in accordance with the terms of the GK Security Deed, the "**GK Security Trustee**") and the Issuer. Under the GK Security Deed, Greene King, as continuing security for the Secured Tax Deed Obligations, provides the GK Security Trustee with the benefit of a first equitable mortgage over the entire issued share capital of the Securitisation Group Parent together with a first fixed charge over all its rights, title, interest and benefit, present and future, in, to and under the Initial Borrower Subordinated Loan Agreement (in each case which may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors). The GK Security Trustee holds the benefit of the security created in its favour under the GK Security Deed on trust for itself, the Issuer and the members of the Tax Indemnified Group.

The security created under the GK Security Deed will be released on the earlier of (i) the date on which all of the Borrower Secured Liabilities and Issuer Secured Liabilities have been irrevocably and unconditionally satisfied in full and (ii) the date on which all Degrouping Tax Liabilities in respect of the Initial Transfers, the Second Transfers, the Third Transfers, the Fourth Transfers and any Tap Transfers have each either:

(a) ceased to be contingent liabilities without becoming actual liabilities; or

(b) become actual liabilities and all obligations of, *inter alios*, Greene King and GKB&R under the Tax Deed of Covenant in relation to such Degrouping Tax Liabilities have been unconditionally and irrevocably discharged,

in the case of paragraphs (a) and (b) above, as certified by a director of Greene King and confirmed (in a form satisfactory to the GK Security Trustee) by tax accountants employed by a nationally recognised accountancy firm or by such other tax accountants or tax lawyers as are approved by the GK Security Trustee (such approval not to be unreasonably withheld or delayed).

The GK Security Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

DESCRIPTION OF THE ISSUER TRANSACTION DOCUMENTS

The following is an overview of certain provisions of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the Issuer Transaction Documents.

Issuer Deed of Charge

Issuer Security

The Original Issuer Deed of Charge was entered into on the First Closing Date by, *inter alios*, the Issuer, RBS as the Liquidity Facility Provider, RBS as the Swap Counterparty, the Note Trustee, the Initial Borrower and the Issuer Security Trustee. The First Supplemental Issuer Deed of Charge was entered into on the Second Closing Date by, *inter alios*, the Issuer, RBS as the Liquidity Facility Provider, RBS as the Swap Counterparty, the Note Trustee, the Initial Borrower and the Issuer Security Trustee. The Second Supplemental Issuer Deed of Charge was entered into on the Third Closing Date by, *inter alios*, the Issuer, RBS as the Liquidity Facility Provider, RBS as the Swap Counterparty, the Note Trustee, the Initial Borrower and the Issuer Security Trustee. The Third Supplemental Issuer Deed of Charge will be entered into on the Fourth Closing Date by, *inter alios*, the Issuer, the Liquidity Facility Providers, the Swap Counterparties, the Note Trustee, the Initial Borrower and the Issuer Security Trustee (together with the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge, the "**Issuer Deed of Charge**").

Under the terms of the Original Issuer Deed of Charge, as supplemented by the First Supplemental Issuer Deed of Charge, the Second Supplemental Issuer Deed of Charge and the Third Supplemental Issuer Deed of Charge, the Issuer granted, or will on the Fourth Closing Date grant, the following security (the "**Issuer Security**") in favour of the Issuer Security Trustee who will hold such security on trust for the benefit of itself and the other Issuer Secured Creditors (save for item (d) below which shall be held for the benefit of the relevant Liquidity Facility Provider only):

(a) an assignment by way of a first fixed security of its right, title, interest and benefit, present and future, in, to and under the Transaction Documents including those further Transaction Documents to be entered into on or about the Fourth Closing Date to which it is a party, including the security trusts created under the Borrower Deed of Charge;

(b) a charge by way of a first fixed security over the amounts from time to time standing to the credit of the Issuer Accounts;

(c) a first fixed charge over all investments in Eligible Investments permitted to be made pursuant to the Account Bank and Cash Management Agreement, which security interests may take effect as a floating charge and thus rank behind the claims of certain preferential and other creditors;

(d) a first fixed charge over the amounts from time to time standing to the credit of any Liquidity Facility Reserve Account;

(e) a first floating charge (ranking behind the claims of certain preferential and other creditors) over all of the property, assets and undertakings of the Issuer not already subject to fixed security (other than its Scottish Assets); and

(f) a first floating charge (ranking behind the claims of certain preferential and other creditors) over all of the Issuer's Scottish Assets,

all as more particularly set out in the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge, the Second Supplemental Issuer Deed of Charge and the Third Supplemental Issuer Deed of Charge.

In addition, the Issuer Parent granted an equitable mortgage over the shares in the Issuer in favour of the Issuer Security Trustee to be held for the benefit of the Noteholders and the other Issuer Secured Creditors.

The Issuer Security secures the Notes and also the amounts payable by the Issuer to:

(a) the Issuer Security Trustee and the Note Trustee under the Issuer Deed of Charge, the Note Trust Deed and the Agency Agreement;

(b) the Liquidity Facility Providers (and any facility agent and arranger) under the Liquidity Facility Agreements and the Issuer Deed of Charge;

(c) the Swap Counterparties under the Interest Rate Swap Agreements and the Issuer Deed of Charge;

(d) the Agent Bank and the Paying Agents under the Agency Agreement and the Issuer Deed of Charge;

(e) the Cash Manager under the Account Bank and Cash Management Agreement and the Issuer Deed of Charge;

(f) the Initial Account Bank under the Account Bank and Cash Management Agreement and the Issuer Deed of Charge;

(g) the Initial Borrower under the Issuer/Borrower Swap Agreement and the Issuer/Borrower Facility Agreement and the Issuer Deed of Charge; and

(h) the Corporate Services Provider under the Corporate Services Agreement and the Issuer Deed of Charge.

A security power of attorney will be granted by the Issuer in favour of the Issuer Security Trustee.

Priority of Payments

Issuer Pre-Acceleration Priority of Payments

Prior to the service of a Note Acceleration Notice by the Note Trustee, amounts standing to the credit of an account in the name of the Issuer (the "**Issuer Transaction Account**") (other than any Swap Excluded Amounts (as defined below)) will be applied by the Issuer on each Interest Payment Date (provided that payments may be made out of the Issuer Transaction Account other than on an Interest Payment Date to satisfy liabilities in paragraph (b) below) in making payment or provision of any amounts then due and payable in the following order of priority (the "**Issuer Pre-Acceleration Priority of Payments**"), including, in each case, any amount in respect of value added tax payable thereon:

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts then due or to be provided for in respect of the fees, other remuneration and indemnity payments (if any) payable to:

(i) the Issuer Security Trustee and any costs, charges, liabilities and expenses incurred by the Issuer Security Trustee under the provisions of the Issuer Deed of Charge and any of the other Transaction Documents, together with interest thereon as provided for therein; and

(ii) the Note Trustee and any costs, charges, liabilities and expenses incurred by the Note Trustee under the provisions of the Note Trust Deed and any of the other Transaction Documents, together with interest thereon as provided for therein;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Issuer:

(i) to the Corporate Services Provider under the Corporate Services Agreement;

(ii) to third parties that have become payable under obligations incurred in the course of the Issuer's business other than as provided elsewhere in this priority of payments; and

(iii) to pay or provide for the amounts then due or to be provided in respect of the Issuer's liability or possible liability in respect of amounts due to the Rating Agencies, the Stock Exchange (or any other listing authority by which, or stock exchange on which, the Notes or any of them are listed) and the listing agent and any amounts of corporation tax on profits of the Issuer due to H.M. Revenue & Customs;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of any amounts due and owing by the Issuer in respect of:

(i) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents and the Agent Bank incurred under the Agency Agreement;

(ii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of any interest, principal and any other amounts which are payable pursuant to paragraph (d) below or in respect of any Liquidity Subordinated Amounts);

(iii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Account Banks, *pari passu* and *pro rata* according to the respective amounts due thereto, under the Account Bank and Cash Management Agreement; and

(iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager under the Account Bank and Cash Management Agreement;

(d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts due thereto, of payment of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than any Liquidity Subordinated Amounts);

(e) *fifth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, to the extent not funded out of Swap Excluded Amounts, of all amounts due but unpaid to the Swap Counterparties under the Interest Rate Swap Agreements; and such amounts to include any amounts due from the Issuer to the Swap Counterparties on termination of any transaction under the Interest Rate Swap Agreements (the "**Swap Termination Payments**") (other than any amounts due on termination of the transactions under the Interest Rate Swap Agreements due to the occurrence of an event of default in respect of which the relevant Swap Counterparty is the defaulting party or any additional termination event relating to a ratings downgrade of the relevant Swap Counterparty (the "**Swap Subordinated Amounts**")) or, in the event of the transactions under an Interest Rate Swap Agreement being terminated and until the entry into of a replacement Interest Rate Swap Agreement, towards a reserve for the payment of any fees, costs and expenses which may be needed to enter into such replacement Interest Rate Swap Agreement;

(f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of:

(i) interest due but unpaid under the Class A1 Notes (other than any Class A1 Step-Up Amounts);

(ii) interest due but unpaid under the Class A2 Notes;

(iii) interest due but unpaid under the Class A3 Notes (other than any Class A3 Step-Up Amounts);

(iv) interest due but unpaid under the Class A4 Notes;

(v) interest due but unpaid under the Class A5 Notes (other than any Class A5 Step-Up Amounts); and

(vi) interest due but unpaid under the Class A6 Notes;

(g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts in respect of principal and all other amounts then due under the Class A1 Notes (other than any Class A1 Step-Up Amounts), the Class A2 Notes, the Class A3 Notes (other than any Class A3 Step-Up Amounts), the Class A4 Notes, the Class A5 Notes (other than any Class A5 Step-Up Amounts) and the Class A6 Notes;

(h) *eighth*, in or towards satisfaction of all amounts of interest due but unpaid under the Class AB2 Notes;

(i) *ninth*, in or towards satisfaction of the amounts in respect of principal and all other amounts then due under the Class AB2 Notes;

(j) *tenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of interest due but unpaid under the Class B1 Notes (other than any Class B1 Step-Up Amounts) and the Class B2 Notes (other than any Class B2 Step-Up Amounts);

(k) *eleventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and all other amounts then due under the Class B1 Notes (other than any Class B1 Step-Up Amounts) and the Class B2 Notes (other than any Class B2 Step-Up Amounts);

(l) *twelfth*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of the amounts due in respect of:

   (i) any Liquidity Subordinated Amounts; and

   (ii) any Swap Subordinated Amounts;

(m) *thirteenth*, in or towards satisfaction of any amounts to be paid to the Initial Borrower by way of refund of any tax credits to the extent received in cash in connection with the Issuer/Borrower Swap Agreement or the Issuer/Borrower Facility Agreement;

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due in respect of any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts and any Class A5 Step-Up Amounts;

(o) *fifteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due in respect of any Class B1 Step-Up Amounts and any Class B2 Step-Up Amounts;

(p) *sixteenth*, in or towards satisfaction of any other amounts (but excluding any sums referred to in paragraph (b)(iii) above) due to H.M. Revenue & Customs;

(q) *seventeenth*, in or towards satisfaction of any amount due to the Initial Borrower under the Issuer/Borrower Facility Agreement (other than amounts due under paragraph (m) above);

(r) *eighteenth*, the Issuer Profit Amount and the Retained Profit Amount to the Issuer (which may be applied by the Issuer in paying dividends on its ordinary share capital); and

(s) *nineteenth*, the surplus (if any) *pari passu* and *pro rata* (i) to the Borrowers by way of rebate of the Ongoing Facility Fee in accordance with the Issuer/Borrower Facility Agreement, (ii) any amounts due to the Borrowers in respect of any Liquidity/Debt Service Loans in accordance with clause 7.5 (*Liquidity / Debt Service Reserve Loan*) of the Account Bank and Cash Management Agreement and (iii) after the Notes have been redeemed in full, to the Note Guarantor in respect of any payments due by reason of the performance of any of its obligations under the Note Guarantee.

In addition to the payments described above, on any Interest Payment Date after the First Closing Date but prior to the service of a Note Acceleration Notice, the Issuer will be entitled to the extent permissible by law to pay a dividend to the Issuer Parent until such time as it has paid dividends in an aggregate amount of £15,000 to the Issuer Parent, which amount, together with the provision for corporation tax on the profits out of which any such amount is paid, will be provided for as if it were at paragraph (c) of the Issuer Pre-Acceleration Priority of Payments. Once the Issuer has paid dividends in an aggregate amount of £15,000 to the Issuer Parent, the Issuer will not be entitled to pay any further amount by way of dividend to the Issuer Parent other than out of the surplus described at paragraph (r) above. As at the Third Closing Date, no dividend will have been paid by the Issuer to the Issuer Parent.

Furthermore, notwithstanding the above, to the extent that the Issuer receives any termination payment from a Swap Counterparty on termination of any transaction entered into under an Interest Rate Swap Agreement and such termination payment is not required to be paid by the Issuer to a replacement swap provider in respect of replacement swap transaction(s) and the Issuer has an obligation to pay a corresponding amount to the Initial Borrower in respect of the termination of the relevant transactions under the Issuer/Borrower Swap Agreement, the Issuer shall be entitled to make such payment directly to the Initial Borrower on any day.

To the extent that the Issuer's funds on the relevant Interest Payment Date are insufficient to make payments under paragraphs (a) to (k) of the Issuer Pre-Acceleration Priority of Payments, the Issuer may, subject to certain conditions, make a drawing under the Liquidity Facilities or, to the extent amounts have been credited thereto, from the Liquidity Facility Reserve Accounts (all as further described in the section entitled *"Liquidity Facility Agreements"* below).

Issuer Post-Acceleration Priority of Payments

All moneys received or recovered by the Issuer Security Trustee or any Receiver appointed under the Issuer Deed of Charge following the service of a Note Acceleration Notice, other than (a) amounts standing to the credit of the Liquidity Facility Reserve Accounts (which are to be paid directly and only to the relevant Liquidity Facility Provider) and (b) any Swap Collateral Amounts (which are to be applied in returning collateral to, or following termination of the relevant Interest Rate Swap Agreement, payment of amounts owing by, the relevant Swap Counterparty in accordance with the relevant Interest Rate Swap Agreement) will be applied in accordance with the following priority of payments (the "**Issuer Post-Acceleration Priority of Payments**" and, together with the Issuer Pre-Acceleration Priority of Payments, the "**Issuer Priorities of Payments**") including in each case any amount in respect of value added tax payable thereon, provided that no such payments shall be made unless and until (if in the sole discretion of the Issuer Security Trustee and/or the Note Trustee it is expedient to do so) a reserve fund is first established in the amount of £750,000 (or such lesser or greater amount as the Issuer Security Trustee and/or the Note Trustee may reasonably determine) on account of any contingent costs, charges, liabilities, indemnities and expenses which in the opinion of the Issuer Security Trustee and/or the Note Trustee (as the case may be) may be incurred by the Issuer Security Trustee and/or the Note Trustee under the Transaction Documents:

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of the fees, other remuneration and indemnity payments (if any) payable to:

   (i) the Issuer Security Trustee and any Receiver and other appointees (if any) appointed by the Issuer Security Trustee under the Issuer Deed of Charge and any costs, charges, liabilities and expenses incurred by the Issuer Security Trustee, any Receiver and other appointees (if any) (as the case may be) under the provisions of the Issuer Deed of Charge and any other amounts payable to the Issuer Security Trustee under the Issuer Deed of Charge and any of the other Transaction Documents, together with interest thereon as provided for therein; and

   (ii) the Note Trustee and any costs, charges, liabilities and expenses incurred by the Note Trustee under any of the other Transaction Documents together with interest thereon as provided for therein;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and owing by the Issuer in respect of:

   (i) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents and the Agent Bank incurred under the Agency Agreement;

   (ii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than in respect of any interest, principal and any other amounts which are payable pursuant to paragraph (c) below or any Liquidity Subordinated Amounts);

(iii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Initial Account Banks, *pari passu* and *pro rata* according to the respective amounts due thereto, under the Account Bank and Cash Management Agreement;

(iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager under the Account Bank and Cash Management Agreement; and

(v) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Corporate Services Provider under the Corporate Services Agreement;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of payment of all amounts of principal, interest and other amounts due but unpaid to the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements) under the Liquidity Facility Agreements (other than any Liquidity Subordinated Amounts);

(d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata,* of all amounts due but unpaid to the Swap Counterparties under the Interest Rate Swap Agreements; and such amounts to include any Swap Termination Payments (other than any Swap Subordinated Amounts);

(e) *fifth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of interest due but unpaid under the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes (other than any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts or any Class A5 Step-Up Amounts);

(f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts in respect of principal and all other amounts then due under the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes (other than any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts or any Class A5 Step-Up Amounts);

(g) *seventh*, in or towards satisfaction of all amounts of interest due but unpaid under the Class AB2 Notes;

(h) *eighth*, in or towards satisfaction of all amounts in respect of principal and all other amounts then due under the Class AB2 Notes;

(i) *ninth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of interest due but unpaid under the Class B1 Notes and the Class B2 Notes (other than any Class B1 Step-Up Amounts or any Class B2 Step-Up Amounts);

(j) *tenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of all amounts of principal and all other amounts then due under the Class B1 Notes and the Class B2 Notes (other than any Class B1 Step-Up Amounts or any Class B2 Step-Up Amounts);

(k) *eleventh*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the amounts due in respect of:

(i) any Liquidity Subordinated Amounts; and

(ii) any Swap Subordinated Amounts;

(l) *twelfth*, in or towards satisfaction of any amounts to be paid to the Initial Borrower by way of refund of any tax credits to the extent received in cash in connection with the Issuer/Borrower Swap Agreement or the Issuer/Borrower Facility Agreement;

(m) *thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due in respect of any Class A1 Step-Up Amounts, any Class A3 Step-Up Amounts and any Class A5 Step-Up Amounts;

(n) *fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due in respect of any Class B1 Step-Up Amounts and any Class B2 Step-Up Amounts;

(o) *fifteenth*, in or towards satisfaction of any amounts due to the Initial Borrower under the Issuer/Borrower Facility Agreement (other than amounts due under paragraph (l) above);

(p) *sixteenth*, the Issuer Profit Amount and the Retained Profit Amount to the Issuer; and

(q) *seventeenth*, the surplus (if any) *pari passu* and *pro rata* (i) to the Borrowers by way of rebate of the Ongoing Facility Fee in accordance with the Issuer/Borrower Facility Agreement, (ii) any amounts due to the Borrowers in respect of any Liquidity/Debt Service Loans in accordance with clause 7.5 (*Liquidity / Debt Service Reserve Loan*) of the Account Bank and Cash Management Agreement and (iii) after the Notes have been redeemed in full, to the Note Guarantor in respect of any payments due by reason of the performance of any of its obligations under the Note Guarantee.

Notwithstanding the above, to the extent that the Issuer receives any termination payment from a Swap Counterparty on termination of any transaction entered into under an Interest Rate Swap Agreement and the Issuer has an obligation to pay a corresponding amount to the Initial Borrower in respect of the termination of a relevant transaction under the Issuer/Borrower Swap Agreement, the Issuer shall be entitled to make such payment directly to the Initial Borrower on any day.

Definitions

For the above purposes:

"**Issuer Profit Amount**" means, on any Interest Payment Date, amounts received by the Issuer on the Loan Payment Date corresponding to such Interest Payment Date in respect of interest on the Term Advances to the extent that such amounts arise by application of the Term A1 Profit Margin, the Term A2 Profit Margin, the Term A3 Profit Margin, the Term A4 Profit Margin, the Term A5 Profit Margin, the Term B1 Profit Margin and/or the Term B2 Profit Margin.

"**Liquidity Subordinated Amounts**" means, in relation to any Liquidity Facility, the aggregate of any amounts payable by the Issuer to the relevant Liquidity Facility Provider in respect of its obligation (i) to gross up any payments made by it in respect of such Liquidity Facility as a result of the Issuer being obliged to withhold or deduct an amount for or on account of tax from such payments as a result of such Liquidity Facility Provider ceasing to be an eligible liquidity facility provider or (ii) to pay amounts payable on an accelerated basis as a result of illegality (excluding accrued interest, principal and commitment fees) on the part of such Liquidity Facility Provider or (iii) certain costs associated with the replacement of such Liquidity Facility Provider.

"**Swap Excluded Amounts**" means:

(a) if the transactions under an Interest Rate Swap Agreement are terminated in circumstances where the Issuer enters into a replacement interest rate swap agreement, amounts received by the Issuer:

    (i) from the relevant Swap Counterparty by way of termination payments relating to the termination of the transactions under such Interest Rate Swap Agreement to the extent of the amount (if any) payable to the replacement swap counterparty in consideration for the entry by such replacement swap counterparty into the replacement interest rate swap agreement and the replacement transactions thereunder (which amounts are to be applied by the Issuer in payment of such amounts to the replacement swap counterparty); or

    (ii) from any replacement swap provider in respect of the entry by the Issuer into the replacement interest rate swap agreement and the replacement transactions thereunder to the extent of the termination payment (if any) due to the replaced Swap Counterparty under such Interest Rate Swap Agreement (which amounts are to be applied by the Issuer in payment of such termination payment due to such Swap Counterparty); and

(b) amounts standing to the credit of the Swap Collateral Ledgers or representing amounts attributable to assets transferred as collateral by a Swap Counterparty following the occurrence of a ratings downgrade of such Swap Counterparty (being "**Swap Collateral Amounts**") (which are to be applied in returning collateral to, or following termination of the relevant Interest Rate Swap Agreement, payment of amounts owing by, such Swap Counterparty in accordance with the relevant Interest Rate Swap Agreement).

Governing Law

The Issuer Deed of Charge and any obligations arising out of or in connection with it are governed by English law (other than in respect of any fixed or floating charge over Scottish Assets, which shall be governed by Scots law).

Note Trust Deed

The Note Trustee has been appointed as trustee for the holders from time to time of the Original Notes pursuant to the Original Note Trust Deed dated the First Closing Date between the Issuer and the Note Trustee constituting the Original Notes, as trustee for the holders from time to time of the Second Issue Notes pursuant to the First Supplemental Note Trust Deed dated the Second Closing Date to represent the interests of the holders of the Second Issue Notes and as trustee for the holders from time to time of the Third Issue Notes pursuant to the Second Supplemental Note Trust Deed dated the Third Closing Date to represent the interests of the holders of the Third Issue Notes. The Note Trustee will be appointed pursuant to the Third Supplemental Note Trust Deed dated the Fourth Closing Date as trustee to represent the interests of the holders of the Fourth Issue Notes.

Note Guarantee

The Note Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Note Trust Deed, the Notes and the Coupons.

If the Issuer does not pay any sum payable by it under the Note Trust Deed, the Notes or the Coupons by the time and on the date specified for such payment (whether on the specified due date, on acceleration or otherwise), the Note Guarantor will pay that sum to or to the order of the Note Trustee, in the manner provided in the Note Trust Deed. All payments under the Note Guarantee by the Note Guarantor will be made subject to Condition 9 (*Taxation*).

Governing Law

The Note Trust Deed and any non-contractual matters or obligations arising out of or in connection with it are governed by English law.

Account Bank and Cash Management Agreement

The Account Bank and Cash Management Agreement was entered into on the First Closing Date by the Obligors, the Issuer, the Borrower Security Trustee, the Issuer Security Trustee, the Cash Manager and the Initial Account Bank pursuant to which the Cash Manager was appointed to act as cash manager in respect of amounts standing from time to time to the credit of the Obligor Accounts and the Issuer Accounts and will be amended and restated on or about the Fourth Closing Date (with the Additional Account Bank also becoming party thereto).

In this section, the Account Bank and Cash Management Agreement will be described insofar as it relates to the Issuer and the Issuer Accounts. For details concerning the Account Bank and Cash Management Agreement insofar as it relates to the Obligors and the Obligor Accounts, see the section entitled *"Description of the Borrower Transaction Documents – Account Bank and Cash Management Agreement"* above.

The Cash Manager may, in certain circumstances, without the consent of the Issuer Security Trustee, sub-contract or delegate its obligations in respect of the Issuer Accounts under the Account Bank and Cash Management Agreement. Notwithstanding any subcontracting or delegation of the performance of any of its obligations under the Account Bank and Cash Management Agreement, the Cash Manager will not be released or discharged from any liability thereunder and will remain responsible for the performance of its obligations under the Account Bank and Cash Management Agreement by any sub-contractor or delegate. In return for the services provided, the Cash Manager will receive a quarterly fee.

The Initial Account Bank represents and warrants that it is an Eligible Bank.

Issuer Accounts

Under the Account Bank and Cash Management Agreement, the Cash Manager has been appointed to, among other things, (a) manage the Issuer Transaction Account, the Liquidity Facility Reserve Accounts and the Debt Service Reserve Account (together, the "**Issuer Accounts**") and (b) act as agent of the Issuer in connection with the Liquidity Facility Agreement in the circumstances set out therein. In particular, the Cash Manager is (subject to the satisfaction of certain conditions) entitled to procure that certain funds standing to the credit of the Issuer Accounts (other than the Liquidity Facility Reserve Accounts) are invested in Eligible Investments to be determined by or on behalf of the Issuer, provided that the Issuer enters into such additional documents, and obtains the provision of any legal opinions requested by the Issuer Security Trustee in respect thereof, as the Issuer Security Trustee may require for the Issuer to grant first fixed security over its interest in any such Eligible Investments acquired.

The Initial Account Bank has undertaken not to exercise any rights of set-off, lien, counterclaim or consolidation of accounts in respect of the Issuer Accounts.

Issuer Transaction Account

The Issuer has established the Issuer Transaction Account with the Initial Account Bank for the purpose of, *inter alia*, receiving payments from the Obligors and making payments in accordance with the relevant Issuer Priority of Payments.

The Cash Manager is required to maintain a ledger in respect of the Issuer Transaction Account (a separate ledger for each Swap Counterparty and each being a "**Swap Collateral Ledger**"), to which it will credit all cash collateral transferred by a Swap Counterparty and all other amounts attributable to assets transferred as collateral by a Swap Counterparty. The Cash Manager will also maintain a record of all other collateral (and the income in respect thereof) transferred by a Swap Counterparty. Cash and other assets transferred as collateral will be applied first (subject to obtaining the consent of the Issuer Security Trustee) in returning collateral (and income thereon) to, or following termination of the relevant Interest Rate Swap Agreement, payment of amounts owing by, a Swap Counterparty who has transferred such collateral in accordance with the relevant Interest Rate Swap Agreement and will not be applied in accordance with the applicable Issuer Priority of Payments.

Liquidity Facility Reserve Accounts

The Issuer has established a Liquidity Facility Reserve Account with the Initial Account Bank for the purpose of receiving and subsequently applying any amount standing to the credit of a Liquidity Facility Reserve Account as more particularly described in the section entitled *"Liquidity Facility Agreements"* below.

Requirement for Eligible Bank

If the Initial Account Bank ceases to be an Eligible Bank, the Issuer is required to arrange for the transfer of the relevant accounts to an Eligible Bank on terms acceptable to the Issuer Security Trustee.

Governing Law

The Account Bank and Cash Management Agreement and any obligations arising out of or in connection with it are governed by English law.

Liquidity Facility Agreements

On the First Closing Date, the Issuer entered into a liquidity facility agreement pursuant to which RBS as the Liquidity Facility Provider agreed to make available to the Issuer, from the First Closing Date, a 364-day committed sterling revolving liquidity facility of a maximum amount in respect of all drawings of £69 million.

Such liquidity facility agreement was amended and restated on the Second Closing Date and RBS as the Liquidity Facility Provider agreed to provide a 364-day committed sterling revolving liquidity facility of a maximum amount in respect of all drawings of £116 million. Such liquidity facility agreement was further amended and restated on the Third Closing Date and RBS as the Liquidity Facility Provider agreed to provide a 364-day committed sterling revolving liquidity facility of a maximum amount in respect of all drawings of £157.5 million.

On the Fourth Closing Date, such liquidity facility agreement will be further amended and restated (such agreement as amended and restated from time to time, including, for the avoidance of doubt, on the Second Closing Date, the Third Closing Date and the Fourth Closing Date being referred to herein as a "**Liquidity Facility Agreement**"). HSBC in its capacity as a new Liquidity Facility Provider (only in relation to the Class A Notes) on the Fourth Closing Date will enter into a separate Liquidity Facility Agreement. The Account Bank and Cash Administration Agreement provides for certain mechanics in respect of the interaction between the Liquidity Facility Agreements in relation to Liquidity Shortfalls (as defined below) in respect of the Class A Notes. If there is a Liquidity Shortfall in respect of the Class A Notes, the Cash Manager shall (a) draw amounts standing to the credit of the Debt Service Reserve Account (as defined below); and/or (b) request a drawing under each Liquidity Facility Agreement for the purposes of funding such Liquidity Shortfall.

Where required to fund any Liquidity Shortfall, the Cash Manager may use its discretion to determine the allocation of amounts to be drawn as between the Debt Service Reserve Account and, in aggregate, the Liquidity Facilities. Where any amount is to be drawn from the Liquidity Facilities for the purposes of funding any Liquidity Shortfall, the Cash Manager shall allocate the amounts to be drawn under each Liquidity Facility *pro rata* according to the commitments thereunder in respect of the relevant Class of Notes, as specified in the relevant Liquidity Facility Agreement, and if for any reason a Liquidity Facility Provider does not fund all or any part of a drawing (and it is not possible for the Cash Manager to make a Liquidity Standby Drawing from such Liquidity Facility Provider) (the shortfall being a "**Drawing Shortfall**") requested by the Cash Manager in accordance with the Account Bank and Cash Management Agreement, the Cash Manager shall apply amounts standing to the credit of the Debt Service Reserve Account and (following prior consent of the remaining Liquidity Facility Providers to increase their allocation of the commitment specified in respect of the relevant Class of Notes, such consent to be provided (if it is to be provided) by each remaining Liquidity Facility Provider within 10 Business Days) available commitments under the remaining Liquidity Facilities (other than the Liquidity Facility of the Liquidity Facility Provider that fails to fund) for the purposes of funding any Drawing Shortfall.

In relation to the Liquidity Facility Agreement entered into by RBS, RBS as a Liquidity Facility Provider will continue to provide a committed sterling revolving liquidity facility of a maximum amount in respect of all drawings of £157.5 million (this amount may reduce in accordance with the terms of the Liquidity Facility Agreement but will be required to remain equal to at least 18 months' peak Debt Service (taking into account the available commitment under the Liquidity Facility provided by HSBC) (as reduced or cancelled or renewed from time to time under the Liquidity Facility Agreement, the "**Liquidity Facility**"), in circumstances where the Issuer has insufficient funds available on any Interest Payment Date which falls within such relevant commitment period to pay in full any of the items specified in paragraphs (a) to (k) (inclusive) of the Issuer Pre-Acceleration Priority of Payments (such insufficiency being a "**Liquidity Shortfall**"), provided its drawdown conditions are satisfied. However, the maximum aggregate amount of the Liquidity Facility provided by RBS available to be drawn to pay interest and principal in respect of the Class AB2 Notes and the Class B Notes will be limited to £33.5 million until such time as the Class AB2 Notes are the most senior ranking class of Notes outstanding and the maximum aggregate amount of the Liquidity Facility provided by RBS available to be drawn to pay interest and principal in respect of the Class B Notes will be limited to £27 million until such time as the Class B1 Notes or Class B2 Notes (as applicable) are the most senior ranking class of Notes outstanding. RBS as a Liquidity Facility Provider may, at its discretion, if requested to do so by the Issuer, renew the commitment period of its Liquidity Facility for a further 364-day period and RBS as Liquidity Facility Provider has in each year prior to the Standby Drawing by the Issuer referred to below.

As described above, from and including the Fourth Closing Date, HSBC will provide a further Liquidity Facility in relation to the Class A Notes only under an additional liquidity facility agreement (being referred to herein as a "**Liquidity Facility Agreement**") that will provide for a 364-day committed sterling revolving liquidity facility of a maximum amount in respect of all drawings of £31.5 million.

The Liquidity Facility provided by HSBC will only be available in circumstances where the Issuer has a Liquidity Shortfall in respect of any of the items specified in paragraphs (a) to (g) (inclusive) of the Issuer Pre-

Acceleration Priority of Payments, provided the drawdown conditions are satisfied. The Liquidity Facility provided by HSBC will not be available to be drawn to pay interest or principal in respect of the Class AB2 Notes and the Class B Notes.

Provided that a Liquidity Facility Provider meets certain requirements and complies with certain obligations, if any amounts are required to be deducted or withheld for or on account of tax from any payment made by the Issuer to any Liquidity Facility Provider under a Liquidity Facility Agreement, the amount of the payment due from the Issuer will be increased to the extent necessary to ensure that, after such deduction or withholding has been made, the amount received by such Liquidity Facility Provider is equal to the amount that it would have received had no such withholding or deduction been required to be made.

Each Liquidity Facility Agreement provides that the relevant Liquidity Facility Provider may, upon the occurrence of certain events in respect of the Issuer (including breach of representations and insolvency-related events), declare all outstanding drawings under the relevant Liquidity Facility to be immediately due and payable regardless of whether a Note Enforcement Notice has been delivered by the Issuer Security Trustee. Upon the occurrence of any such event, undrawn portions of such Liquidity Facility may be cancelled and the amounts available under such Liquidity Facility may be reduced to zero.

In addition, each Liquidity Facility Agreement provides that (a) if the relevant Liquidity Facility Provider declines to renew the commitment period of the relevant Liquidity Facility upon request by the Issuer and/or (b) the relevant Liquidity Facility Provider's short-term, unsecured, unsubordinated and unguaranteed debt obligations cease to be rated at least the Requisite Liquidity Bank Rating and, in either case, the Issuer is unable within a period of 10 days to find a replacement Liquidity Facility Provider with the Requisite Liquidity Bank Rating ((b) being a "**Liquidity Downgrade Event**" and each of (a) and (b) being a "**Liquidity Event**"), the Issuer will be entitled to make a drawing (a "**Liquidity Standby Drawing**") in an amount equal to its undrawn commitment under the Liquidity Facility Agreement (such amount, the "**Standby Deposit**") to be paid into a designated bank account of the Issuer (each a "**Liquidity Facility Reserve Account**", with a separate Liquidity Facility Reserve Account for each Liquidity Facility Provider), maintained with such Liquidity Facility Provider for so long as such Liquidity Facility Provider has the Requisite Liquidity Bank Rating (or otherwise with an Account Bank or other bank, the short-term, unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the Requisite Liquidity Bank Rating and which is within the charge to United Kingdom corporation tax).

The Standby Deposit itself and each Liquidity Facility Reserve Account will not be available to the Issuer Secured Creditors generally.

The Issuer has made a Liquidity Standby Drawing from RBS under the relevant Liquidity Facility Agreement in an amount equal to £157,500,000, which was credited to an account held with the Initial Account Bank. Under the terms of the relevant Liquidity Facility Agreement, the rate of interest applicable to the Liquidity Standby Drawing is a rate per annum equal to the rate of interest per annum received by the Issuer in respect of amounts standing to the credit of the Liquidity Facility Reserve Account for the relevant period.

Amounts standing to the credit of a Liquidity Facility Reserve Account which represent a Standby Deposit will, subject to the Issuer Deed of Charge, be available to the Issuer by way of liquidity drawing in the event of there being a Liquidity Shortfall in the circumstances provided in the relevant Liquidity Facility Agreement. Such a liquidity drawing will accrue interest and be repayable as previously described, except that, until the relevant Liquidity Facility Provider is replaced or the Liquidity Event which gave rise to the Standby Deposit is remedied, repayment will be made into the relevant Liquidity Facility Reserve Account other than where the provisions relating to the fifth anniversary of a Liquidity Standby Drawing (as described in the below paragraph) apply. Any costs incurred by the Issuer in obtaining a replacement liquidity facility or in utilising the relevant Liquidity Facility will be borne by the Borrowers.

In the case of any Standby Deposit advanced by HSBC or any other entity that may become a Liquidity Facility Provider (other than RBS), the Issuer shall be required to repay the corresponding Liquidity Standby Drawing from the fifth anniversary of such advance in the following manner: the Borrower will be obliged to apply funds otherwise available for making Restricted Payments (in accordance with the terms of the Issuer/Borrower Facility Agreement, but after deducting amounts to be paid in respect of Permitted Restricted Payments) towards making a loan to the Issuer so that the Issuer builds up a cash reserve in place of such Liquidity Standby Drawing (such cash reserve to be held in a new account of the Issuer (the "**Debt Service Reserve Account**")) and the Standby Deposit applied in a corresponding amount to repay the relevant Liquidity Standby Drawing and reducing and cancelling the related Liquidity Facility by a corresponding amount (the "**Cash Sweep**").

Following the delivery by the Issuer Security Trustee of a Note Enforcement Notice to the Issuer, any amounts then standing to the credit of a Liquidity Facility Reserve Account which represent a Standby Deposit will be paid to the relevant Liquidity Facility Provider and will not be available to the Noteholders.

Certain amendments will be made to the Liquidity Facility Agreement in respect of which RBS is the Liquidity Facility Provider (and such amendments will be reflected in the new Liquidity Facility Agreement to which HSBC as the new Liquidity Facility Provider will be party) to take account of market standard provisions and requirements, including in relation to FATCA. In addition, the Issuer will have a right to replace any Liquidity Facility Provider at any time provided the replacement Liquidity Facility Provider satisfies the Requisite Liquidity Bank Rating requirement and accedes to certain Transaction Documents.

Governing Law

Each Liquidity Facility Agreement and any non-contractual obligations arising out of or in connection with any such agreement are governed by English law.

Interest Rate Swap Agreements

The Issuer has entered into a series of interest rate swap transactions on the First Closing Date, the Second Closing Date and the Third Closing Date pursuant to an Interest Rate Swap Agreement with RBS as a Swap Counterparty in order to hedge the obligations of the Issuer with respect to (a) the floating rate component of interest payments under the Class A1 Notes, (b) the floating rate component of interest payments under the Class A3 Notes, (c) the floating rate component of interest payments under the Class A5 Notes, (d) the floating rate component of interest payments under the Class AB1 Notes, (e) the floating rate component of interest payments under the Class B1 Notes from and including the Class B1 Step-Up Date and (f) the floating rate component of interest payments under the Class B2 Notes.

On 16 December 2015, the Issuer entered into an Interest Rate Swap Agreement with ANTS as a Swap Counterparty, whereupon RBS novated its rights and obligations in respect of the swap transactions under the Interest Rate Swap Agreements in respect of the Class A1 Notes, the Class A3 Notes, the Class B1 Notes, and the Class B2 Notes to ANTS.

The transactions under the Interest Rate Swap Agreements take the form of fixed/floating interest rate swaps and/or other appropriate arrangements acceptable to the Rating Agencies from time to time. As the Issuer will be purchasing and cancelling in full the Class AB1 Notes on or around the Fourth Closing Date, the Issuer and RBS as a Swap Counterparty have agreed to terminate in full the swap transaction relating to the Class AB1 Notes on such date. In addition, the Issuer and RBS as a Swap Counterparty have agreed to amend the swap transaction under such Interest Rate Swap Agreement relating to the Class A5 Notes, the amendment being to change the fixed rate payable by the Issuer to RBS as a Swap Counterparty effective from and including such date and such that there will be immediately after such amendment a zero mark-to-market value in respect of such transaction, with a "recouponing" premium payable by the Issuer to RBS (to reflect the fact that immediately before such amendment RBS would be "in-the-money" under such transaction).

Pursuant to the terms of the Interest Rate Swap Agreement with RBS as Swap Counterparty, on each Interest Payment Date commencing in June 2005 (or, in the case of the Class A5 Notes, commencing in September 2008) and ending on the Final Maturity Date of the applicable class of Notes, the Issuer is obliged to make fixed rate payments (the fixed rate component of which in respect of the Class A5 Notes will increase after the Class A5 Step-Up Date) to the Swap Counterparty in sterling which the Issuer will fund using interest payments which it receives from the Initial Borrower under the Issuer/Borrower Facility Agreement and payments received by it under the Issuer/Borrower Swap Agreement. RBS as Swap Counterparty is, on the corresponding Interest Payment Date, obliged to make floating rate payments in sterling (calculated by reference to LIBOR) to the Issuer. The amounts payable by the Issuer and RBS as Swap Counterparty under the relevant Interest Rate Swap Agreement are netted so that only a net amount will be due from the Issuer or RBS as Swap Counterparty (as the case may be) on an Interest Payment Date.

Pursuant to the terms of the Interest Rate Swap Agreement with ANTS as Swap Counterparty, on each Interest Payment Date commencing in June 2005 (or, in the case of the Class B1 Notes, commencing on the Class B1 Step-Up Date or, in the case of the Class A3 Notes and the Class B2 Notes, commencing in June 2006) and ending on the Final Maturity Date of the applicable class of Notes, the Issuer is obliged to make fixed rate payments (the fixed rate component of which (i) in respect of the Class A1 Notes will increase after the Class A1 Step-Up Date, (ii) in respect of the Class A3 Notes will increase after the Class A3 Step-Up Date and (iii) in respect of the Class B2 Notes will increase after the Class B2 Step-Up Date) to the Swap Counterparty in sterling which the Issuer will fund using interest payments which it receives from the Initial Borrower under the Issuer/Borrower Facility Agreement and payments received by it under the Issuer/Borrower Swap Agreement. ANTS as Swap Counterparty is, on the corresponding Interest Payment Date, obliged to make floating rate payments in sterling (calculated by reference to LIBOR) to the Issuer. The amounts payable by the Issuer and ANTS as Swap Counterparty under the relevant Interest Rate Swap Agreement are netted so that only a net amount will be due from the Issuer or ANTS as Swap Counterparty (as the case may be) on an Interest Payment Date.

The swap rates for the Issuer in respect of the transactions entered into by it on the First Closing Date and the Second Closing Date were 5.155 per cent. and 4.837 per cent., respectively. The swap rate for the Issuer in respect of the transaction to be entered into by it on the Third Closing Date will be 5.26 per cent.

The Issuer may enter into further Interest Rate Swap Agreements, including pursuant to any transfers/novations by RBS as a Swap Counterparty or ANTS as a Swap Counterparty of any or all of the swap transactions under the relevant Interest Rate Swap Agreement.

Ratings downgrade of a Swap Counterparty

If the ratings assigned to the long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations of a Swap Counterparty are downgraded below the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Long-Term Rating and/or the Minimum Fitch Short-Term Rating, such Swap Counterparty will be required within the relevant time period prescribed in the applicable Interest Rate Swap Agreement to take one of certain remedial measures which may include (i) the provision of collateral for its obligations under its Interest Rate Swap Agreement; (ii) the transfer of its obligations under its Interest Rate Swap Agreement to a replacement swap counterparty who has the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Short-Term Rating and the Minimum Fitch Long-Term Rating; (iii) procuring another person who has the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Short-Term Rating and the Minimum Fitch Long-Term Rating to become a co-obligor or to guarantee such obligations of such Swap Counterparty; or (iv) any other action (including no action) as agreed with the relevant Rating Agency to be sufficient to support the relevant Swap Counterparty's obligations under the relevant Interest Rate Swap Agreement.

Consequences of failure to take remedial action

A failure by a Swap Counterparty to take the required remedial action following a ratings downgrade will, subject to certain conditions, give the Issuer a right to terminate the transactions under the relevant Interest Rate Swap Agreement.

Excess collateral

The Cash Manager is obliged to maintain the Swap Collateral Ledgers in respect of collateral transferred by the Swap Counterparties as more particularly described in the section entitled *"Account Bank and Cash Management Agreement – Issuer Accounts – Issuer Transaction Account"* above and Swap Collateral Amounts will not be applied in accordance with the applicable Issuer Priority of Payments. Accordingly, any collateral transferred by a Swap Counterparty in accordance with an Interest Rate Swap Agreement which (i) is in excess of the termination amount that it would otherwise be required to pay to the Issuer under such Interest Rate Swap Agreement, or (ii) such Swap Counterparty is entitled to have returned to it under such Interest Rate Swap Agreement will be returned to such Swap Counterparty directly (and as a consequence, prior to the distribution of any amounts due to the Noteholders or the other Issuer Secured Creditors).

Termination rights and payments

Each transaction (or in certain circumstances, part thereof) entered into under an Interest Rate Swap Agreement may be terminated by one party if (i) an applicable event of default (including a failure to pay or certain insolvency-related events) or termination event (including an illegality or certain tax events (each as specified in the relevant Interest Rate Swap Agreement)) occurs in relation to the other party; (ii) the relevant class of Notes is redeemed, repurchased or cancelled (in each case, in full and in certain circumstances, in part) prior to their stated maturity; or (iii) a Note Acceleration Notice or a Note Enforcement Notice is served.

If any transaction under an Interest Rate Swap Agreement is terminated, whether in whole or in part, prior to its stated termination date, a termination amount may be payable by one party to the other. Any such termination amount may be substantial and if payable to a Swap Counterparty, will, other than in limited circumstances, rank in priority to amounts due to the Noteholders.

Transfer

A Swap Counterparty may at its discretion and its own cost transfer all of its rights and obligations under an Interest Rate Swap Agreement (or any swap transaction thereunder) to a third party, provided that, *inter alia*, such third party has the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Long-Term Rating and the Minimum Fitch Short-Term Rating or its performance under such Interest Rate Swap Agreement and the related transactions will be guaranteed in full by a person with the Minimum S&P Swap Counterparty Ratings, the Minimum Fitch Long-Term Rating and the Minimum Fitch Short-Term Rating.

Subject to certain conditions, the Issuer may require the relevant Swap Counterparty to transfer its position under the relevant Interest Rate Swap Agreement to another entity selected by the Issuer with any calculations of any corresponding Early Termination Amount to be determined by the relevant Swap Counterparty. For the purposes of calcutating the Early Termination Amount, the Issuer shall be deemed to be the "Defaulting Party".

Security and Ranking

The Issuer's obligations to a Swap Counterparty under an Interest Rate Swap Agreement are secured pursuant to the Issuer Deed of Charge. Such obligations (other than in respect of Swap Subordinated Amounts) will rank senior to the obligations of the Issuer to the Noteholders.

Withholding Tax

All payments to be made by either party under an Interest Rate Swap Agreement are to be made without deduction or withholding for or on account of tax unless such deduction or withholding is required by applicable law.

If one party is required to make such a deduction or withholding from any payment to be made to the other party under an Interest Rate Swap Agreement (the requirement to deduct or withhold being a "**Tax Termination Event**" in respect of the party obliged to make such deduction or withholding), the sum to be paid will be increased to the extent necessary to ensure that, after that deduction or withholding is made, the amount received by the other party is equal to the amount which that other party would have received had that deduction or withholding not been required to be made. The Issuer will fund this cost through a liquidity drawing which is ultimately paid by the Borrowers by way of the Ongoing Facility Fee. Alternatively, the Borrowers may, in these circumstances, exercise their right to prepay the Term A1 Advances, the Term A3 Advances, the Term A5 Advances, the Term B2 Advances and, on and following the Class B1 Step-Up Date, the Term B1 Advances in order to fund payments on the Notes and therefore terminate the transactions under an Interest Rate Swap Agreement.

If a Tax Termination Event occurs, the party required to pay an increased amount may terminate the relevant Interest Rate Swap Agreement, subject to the relevant Swap Counterparty being required to use reasonable efforts to transfer its rights and obligations in respect of such Interest Rate Swap Agreement such that payments made by and to that third party swap provider under such Interest Rate Swap Agreement can be made without any deduction or withholding for or on account of tax. In addition, as a condition precedent to the right of the Issuer to terminate the transactions under an Interest Rate Swap Agreement, the Ratings Test must be satisfied notwithstanding such termination.

Further Notes and New Notes

Should the Issuer issue Further Notes or New Notes, any of which bear a floating rate of interest, then the Issuer will enter into further interest rate swap transactions with a Swap Counterparty in order to hedge any interest rate risk associated with the payments due on such Notes. No Swap Counterparty is obliged to enter into any further swap transactions.

Governing Law

Each Interest Rate Swap Agreement is or shall be governed by English law.

Agency Agreement

On the First Closing Date, the Issuer entered into an agency agreement with the Note Trustee, the Issuer Security Trustee, the Paying Agents and the Agent Bank (such agreement, as amended and restated from time to time, including as amended and restated on or about the Second Closing Date and on or about the Third Closing Date and as it is to be amended and restated on or about the Fourth Closing Date, is referred to herein as the "**Agency Agreement**") under which the Agents have agreed to provide certain paying agent and reference agent services to the Issuer (including the determination by the Agent Bank of, among other things, the relevant Rates of Interest). The Agents are entitled to charge a fee per annum payable annually in advance on an Interest Payment Date, subject to the Issuer having sufficient funds available to pay it out of Available Issuer Revenue having paid all other higher ranking amounts in the relevant Issuer Priority of Payments.

The Agent Bank may resign its appointment upon not less than 30 days' written notice to the Issuer and the Note Trustee (with a copy to the Principal Paying Agent), provided that no resignation by, or termination or revocation of the appointment of, the Agent Bank shall take effect until a successor has been duly appointed in accordance with the Agency Agreement.

The Issuer may (with the prior written approval of the Note Trustee and the Issuer Security Trustee) revoke its appointment of the Agent Bank by not less than 30 days' written notice to the Agent Bank, provided that, so long as any of the Notes are outstanding, a notice is given to Noteholders in accordance with Condition 17 at least 10 days before the revocation of such appointment.

In addition, the appointment of the Agent Bank shall terminate forthwith if:

(a) the Agent Bank disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Agency Agreement;

(b) fails to determine the relevant Rates of Interest and/or Interest Amounts and/or Step-Up Amounts (if any) and/or Interest Payment Date as provided in the Conditions or the Agency Agreement, or (iii) is subject to certain insolvency events; or

(c) becomes incapable of acting; or

(d) certain insolvency events occur in relation to the Agent Bank.

If the appointment of the Agent Bank is terminated, the Issuer undertakes that it will forthwith (with the prior written consent of the Issuer Security Trustee, such consent not to be unreasonably withheld or delayed) appoint a successor.

The Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Corporate Services Agreement

On the First Closing Date, the Issuer entered into a corporate services agreement (the "**Corporate Services Agreement**") with Law Debenture Corporate Services Limited whose registered office is at Fifth Floor, 100

Wood Street, London EC2V 7EX (as Corporate Administrator) and the Issuer Security Trustee under which the Corporate Services Provider agreed to provide certain corporate administration services to the Issuer. The Corporate Services Provider is entitled to charge a fee per annum payable annually in advance on an Interest Payment Date, subject to the Issuer having sufficient funds available to pay it out of Available Issuer Revenue having paid all other higher ranking amounts in the relevant Issuer Priority of Payments.

The Corporate Services Provider may resign its appointment upon not less than 30 days' written notice to the Issuer (with a copy to the Issuer Security Trustee), provided that:

(a) if such resignation would otherwise take effect less than 30 days before or after the latest Final Maturity Date or any other date for redemption of the Notes or any Interest Payment Date in relation to the Notes, it shall not take effect until the 30th day following such date; and

(b) no resignation by or termination or revocation of the appointment of the Corporate Services Provider shall take effect until a successor has been duly appointed in accordance with the Corporate Services Agreement.

The Issuer may (with the prior written approval of the Issuer Security Trustee) revoke its appointment of the Corporate Services Provider by not less than 30 days' notice to the Corporate Services Provider (with a copy to the Issuer Security Trustee).

In addition, the appointment of the Corporate Services Provider shall terminate forthwith if:

(i) in the reasonable opinion of the Issuer, the Corporate Services Provider becomes incapable of acting; or

(ii) certain insolvency events occur in relation to the Corporate Services Provider.

If the appointment of the Corporate Services Provider is terminated, the Issuer undertakes that it will forthwith (with the prior written consent of the Issuer Security Trustee, such consent not to be unreasonably withheld or delayed) appoint a successor.

The Corporate Services Agreement is governed by English law.

USE OF PROCEEDS

The proceeds from the issue of the Fourth Issue Notes will be £340,000,000.

On the Fourth Closing Date, the Issuer will, subject to and in accordance with the Issuer/Borrower Facility Agreement, as described in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement"* above, apply the aggregate proceeds from the issue of the Notes to make the Fourth Term Advances to the Initial Borrower in an aggregate principal amount of £340,000,000.

On the Fourth Closing Date, upon receipt by the Initial Borrower of the Fourth Term Advances from the Issuer, the Initial Borrower will apply the proceeds as follows:

(a) in or towards discharging the consideration for the acquisition (the "**Acquisition**") by the Initial Borrower of the assets and undertaking of certain pubs from GKB&R; and/or

(b) in or towards payment of accrued interest in respect of the Initial Borrower Subordinated Loan; and/or

(c) in or towards the payment of costs and expenses relating to the Acquisition and the other transactions described by or contemplated by this Prospectus.

THE ISSUER

Introduction

The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities and was incorporated in England and Wales under the Companies Act 1985 (as amended) on 14 January 2005 as a public company with limited liability under the name Greene King Finance plc with company number 05333192. The registered office of the Issuer is Fifth Floor, 100 Wood Street, London EC2V 7EX. As at 3 May 2015, the authorised share capital of the Issuer was £50,000 divided into 50,000 ordinary shares of £1 each, 50,000 of which were issued. 49,999 of those shares were held by Greene King Finance Parent Limited (the "**Issuer Parent**") and one was held by Law Debenture Corporate Services Limited (on trust for the Issuer Parent).

English company law combined with the holding structure of the Issuer, covenants made by the Issuer in the Transaction Documents and the role of the Issuer Security Trustee prevent any abuse of control of the Issuer.

Principal Activities

The objects of the Issuer are set out in clause 4 of its memorandum of association, pursuant to which the Issuer is permitted, *inter alia*, to issue the Notes and to lend the proceeds thereof to the Borrowers.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the authorisation and issue of the Notes and of the other documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There is no intention to accumulate surpluses in the Issuer except in circumstances set out in *"Description of the Issuer Transaction Documents – Issuer Deed of Charge"* above.

The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 5 (*Covenants*).

Directors and Company Secretary

The directors of the Issuer and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
L.D.C. Securitisation Director No. 3 Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Acting as corporate director of special purpose companies
L.D.C. Securitisation Director No. 4 Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Acting as corporate director of special purpose companies
Ian Bowden	Fifth Floor, 100 Wood Street London EC2V 7EX	Director

The directors of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited and their principal activities are:

Name	Business Address	Principal Activities
Law Debenture Securitisation Services Limited	Fifth Floor, 100 Wood Street, London EC2V 7EX	Provision of directors for special purpose companies
Ian Bowden	Fifth Floor, 100 Wood Street London EC2V 7EX	Director

The affairs of Law Debenture Securitisation Services Limited are represented by its directors Julian Robert Mason-Jebb and Richard David Rance, each of whose business address is at Fifth Floor, 100 Wood Street, London EC2V 7EX and each of whose principal activities are as director of The Law Debenture Trust Corporation p.l.c.

The company secretary of the Issuer is Law Debenture Corporate Services Limited.

As at the date hereof, the Issuer has no employees, non-executive directors or premises.

Capitalisation and Indebtedness Statement

The capitalisation and indebtedness of the Issuer extracted from the unaudited records of the Issuer as at the date of this Prospectus, as adjusted for the issue of the Fourth Issue Notes and redemption of the Class AB1 Notes, is as follows:

Share Capital

Issued: 50,000 ordinary shares of £1 each, 49,998 issued paid up as to £0.25 and 2 issued fully paid	£12,501.50

Loan Capital

£150,000,000 Class A1 Secured Floating Rate Notes due 2031	£113,823,000
£320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031	£237,936,000
£170,000,000 Class A3 Secured Floating Rate Notes due 2021	£73,434,900
£265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034	£258,894,000
£290,000,000 Class A5 Secured Floating Rate Notes due 2033	£242,860,500
£300,000,000 Class A6 Secured 4.0643 per cent. Notes due 2035	£300,000,000
£40,000,000 Class AB2 Secured 6.0552 per cent. Notes due 2036	£40,000,000
£130,000,000 Class B1 Secured Fixed/Floating Rate Notes due 2034	£120,853,000
£115,000,000 Class B2 Secured Floating Rate Notes due 2036	£99,927,000
Total indebtedness	£1,487,728,400
Total capitalisation and indebtedness:	£1,487,740,902

Save for the foregoing, as at the date of this Prospectus, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

Financial Statements for the Issuer for the periods ended 4 May 2014 and 3 May 2015

The financial statements for the Issuer for the periods ended 4 May 2014 and 3 May 2015, respectively, and prepared in accordance with UK GAAP and are incorporated by reference into this Prospectus.
The documents are available for inspection on the following websites:

http://www.ise.ie/debt_documents/AudFin%20Greene%20King%20Finance%20Plc%2003.05.2015(19718090_1)_f65851d7-8a61-4c58-8d36-421f416e1982.PDF?v=2902016

http://www.ise.ie/debt_documents/Aud%20Fin%20Greene%20King%20Finance%20plc%2004.05.2014(19718096_1)_0031674d-3abf-4696-90a1-5496c6b91910.PDF?v=2902016

The Issuer will prepare its statutory financial statements for the 52-week period ending 1 May 2016 in compliance with the requirements of Financial Reporting Standard 101 'Reduced Disclosure Framework' ("**FRS 101**"), including comparative information for the 52-week period ended 3 May 2015. Those financial statements will be the first financial statements prepared by the company in accordance with FRS 101.

Accordingly, to comply with the Prospectus Directive rules on financial information, special purpose financial information as of and for the 52-week period ended 3 May 2015 has been prepared on the basis expected to be applicable to the comparative information that will be prepared for inclusion in that first set of financial statements prepared in accordance with FRS 101.

The special purpose financial information has been prepared by the Issuer in accordance with FRS 101 and in accordance with applicable UK accounting standards for inclusion in this prospectus, except as follows. The company is not required by the Prospectus Directive to prepare, for inclusion in this prospectus, financial information in accordance with FRS 101 for any financial period commencing before 5 May 2014. Accordingly, the directors of the Issuer have elected not to prepare comparative amounts in the financial information and, as a result, the financial information does not represent a full set of financial statements in accordance with FRS 101.

The special purpose financial information of the Issuer as of and for the 52 weeks ended 3 May 2015, and the accountant's report thereon, are attached hereto as *"Annex 1 – Financial Information – Issuer"*.

ISSUER PARENT

Introduction

Issuer Parent was incorporated in England and Wales on 23 December 2004 as a company with limited liability under the name Greene King Finance Parent Limited with company number 05320993. The registered office of Issuer Parent is Fifth Floor, 100 Wood Street, London EC2V 7EX. As at 3 May 2015, the authorised share capital of Issuer Parent was £2 divided into two ordinary shares of £1 each, all of which were issued and were credited as fully paid. The issued fully paid ordinary shares were held on behalf of charitable trusts by The Law Debenture Intermediary Corporation p.l.c.

Principal Activities

The objects of Issuer Parent are set out in clause 3 of its Memorandum of Association, pursuant to which Issuer Parent is permitted, *inter alia*, to hold the shares in the Issuer.

Issuer Parent has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and those matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

There have been no recent developments (save for the transactions referred to or contemplated in this Prospectus) with respect to Issuer Parent since 23 December 2004 (being the date of its incorporation).

There is no intention to accumulate surpluses in Issuer Parent.

Directors and Company Secretary

The directors of the Issuer Parent and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
L.D.C. Securitisation Director No. 3 Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Acting as corporate director of special purpose companies
L.D.C. Securitisation Director No. 4 Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Acting as corporate director of special purpose companies
Ian Bowden	Fifth Floor, 100 Wood Street London EC2V 7EX	Director

The directors of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited and their principal activities are:

Name	Business Address	Principal Activities
Law Debenture Securitisation Services Limited	Fifth Floor, 100 Wood Street London EC2V 7EX	Provision of directors for special purpose companies
Ian Bowden	Fifth Floor, 100 Wood Street London EC2V 7EX	Director

The affairs of L.D.C. Securitisation Director No. 3 Limited and L.D.C. Securitisation Director No. 4 Limited and Law Debenture Securitisation Services Limited are represented by its directors Julian Robert Mason-Jebb and Richard David Rance, each of whose business address is at Fifth Floor, 100 Wood Street, London EC2V 7EX and each of whose principal activities are as director of The Law Debenture Trust Corporation p.l.c.

The company secretary of Issuer Parent is Law Debenture Corporate Services Limited.

As at the date hereof, the Issuer Parent has no employees, non-executive directors or premises.

Capitalisation and Indebtedness Statement

The capitalisation and indebtedness of the Issuer Parent extracted from the unaudited records of the Issuer Parent as the date of this Prospectus is as follows:

Share Capital

Issued:	
2 ordinary shares of £1, issued fully paid or credited as fully paid	£2

Loan Capital

Loan from The Law Debenture Intermediary Corporation p.l.c.	£12,500
Total capitalisation and indebtedness	£12,502

Save for the foregoing, as at the date of this Prospectus, Issuer Parent has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

THE INITIAL BORROWER

Introduction

The Initial Borrower was incorporated in England and Wales under the Companies Act 1985 (as amended) on 20 October 2004 as a private company with limited liability with company number 5265451 under the name of Hackremco (No. 2204) Limited. The company then changed its name to Greene King Retailing Limited pursuant to a special resolution dated 17 December 2004. The registered office of the Initial Borrower is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. As at 3 May 2015, the share capital of the Initial Borrower was one ordinary share of a nominal or par value of £1.00, fully paid up, which was issued and held by the Securitisation Group Parent.

Principal Activities of the Initial Borrower

The principal objects of the Initial Borrower are set out in clause 3 of its Memorandum of Association and include the purchase of any property (real or personal) or assets to deal with the same in such manner as may be thought fit and to borrow and raise money in such manner as may be thought fit.

The Initial Borrower has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and those matters referred to or contemplated in this Prospectus and any matters which are incidental or ancillary to the foregoing.

The Initial Borrower will covenant to observe certain restrictions on its activities which are further described in *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement"* above.

Directors and Company Secretary of the Initial Borrower

The directors of the Initial Borrower and their respective business addresses and occupations are:

Name	Business Address	Principal Activities
Rooney Anand	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Kirk Dyson Davis	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Christopher Bennett Houlton	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Richard Lewis	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
John Forrest	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Ken David Millbanks	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director

The company secretary of the Initial Borrower is Lindsay Anne Keswick.

As at the date hereof, the Initial Borrower has no employees, non-executive directors or premises.

Capitalisation and Indebtedness Statement

The capitalisation and indebtedness of the Initial Borrower extracted from the unaudited records of the Initial Borrower as at that date of this Prospectus, as adjusted for the Fourth Term Advances and repayment of the Third Term AB1 Facility on the Fourth Closing Date, is as follows:

Share Capital

Issued:	
1 ordinary share of £1, issued fully paid or credited as fully paid	£1

Loan Capital

£150,000,000 Term A1 Facility	£113,823,000
£320,000,000 Term A2 Facility	£237,936,000
£170,000,000 Term A3 Facility	£73,434,900
£265,000,000 Term A4 Facility	£258,894,000
£290,000,000 Term A5 Facility	£242,860,500
£300,000,000 Term A6 Facility	£300,000,000
£40,000,000 Term AB2 Facility	£40,000,000
£130,000,000 Term B1 Facility	£120,853,000
£115,000,000 Term B2 Facility	£99,927,000
Initial Borrower Subordinated Loan from Greene King plc	£505,676,126
Total capitalisation and indebtedness:	£1,993,404,526

Save for the foregoing, at the date of this Prospectus, the Initial Borrower does not have any borrowings or indebtedness in the nature of borrowings apart from intra-group liabilities (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

Directors' report and financial statements for the Initial Borrower for the periods ended 4 May 2014 and 3 May 2015

The directors' report and financial statements for the Initial Borrower for the periods ended 4 May 2014 and 3 May 2015, respectively, are attached hereto as *"Annex 2 – Financial Statements – Initial Borrower"*.

THE SECURITISATION GROUP PARENT

Introduction

Greene King Retailing Parent Limited was incorporated in England and Wales under the name Hackremco (No. 2203) Limited on 20 October 2004 as a private company with limited liability with company number 5265454. The name of the company was changed to Greene King Retailing Parent Limited pursuant to a special resolution dated 17 December 2004. The registered office of the Securitisation Group Parent is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT. As at 3 May 2015, the share capital of the Securitisation Group Parent was one ordinary share of a nominal or par value of £1.00, which was issued and credited as fully paid. The issued fully paid ordinary share was held by Greene King.

Principal Activities

The principal objects of the Securitisation Group Parent are set out in clause 3 of its Memorandum of Association and include carrying on the business of a holding company and an investment company.

The Securitisation Group Parent has not engaged, since its incorporation, in any activities other than those incidental to its incorporation or to other documents and matters referred to or contemplated in this Prospectus to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

The Securitisation Group Parent will covenant to observe certain restrictions on its activities which are set out in the section entitled *"Description of the Borrower Transaction Documents – Issuer/Borrower Facility Agreement"* above.

Directors

The directors of the Securitisation Group Parent and their respective business addresses and occupations are:

Name	Business Address	Occupation
Rooney Anand	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Kirk Dyson Davis	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Christopher Bennett Houlton	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Richard Lewis	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director
Ken David Millbanks	Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT	Director

The company secretary for the Securitisation Group Parent is Lindsay Anne Keswick.

As at the date hereof, the Securitisation Group Parent has no employees, non-executive directors or premises.

Capitalisation and Indebtedness Statement

The capitalisation and indebtedness of Securitisation Group Parent extracted from the unaudited records of Securitisation Group Parent as at that date of this Prospectus is as follows:

Share Capital

Issued:	
1 ordinary share of £1, issued fully paid or credited as fully paid	£1
Total capitalisation and indebtedness	£1

Save for the foregoing, at the date of this Prospectus, Securitisation Group Parent has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

VALUATION REPORT ON THE SECURITISATION ESTATE

Valuation of 1,543 Public Houses, Restaurants and Hotels Owned by Greene King

Dated 24 May 2016

Addressees:
The Directors
Greene King plc (Parent Company of the 'Securitisation Parent')
Westgate Brewery
Bury St Edmunds
IP33 1QT

The Directors
Greene King Retailing Ltd (The 'Initial Borrower')
Westgate Brewery
Bury St Edmunds
IP33 1QT

The Directors
Greene King Finance Plc (The 'Issuer')
5th Floor, 100 Wood Street
London
EC2V 7EX

HSBC Bank plc (The 'Arranger' and 'Joint Lead Manager')
8 Canada Square
London
E14 5HQ

The Royal Bank of Scotland plc (The 'Joint Lead Manager')
135 Bishopsgate
London
EC2M 3UR

HSBC Trustee (C.I.) Ltd (The 'Issuer Security Trustee' and 'Borrower Security Trustee')
1 Grenville Street
St Helier
Jersey
JE4 9PF
Channel Islands

1 Introduction

1.1. Overview

In accordance with the instructions of the Directors of Greene King Plc ('Greene King') we have undertaken a valuation (collectively a 'Valuation' and individually the 'Valuations') of a portfolio of 1,543 Public Houses, Restaurants and Hotels (the 'Portfolio', the 'Properties' and each 'Property') in England, Scotland and Wales as at 1 April 2016 which are owned and operated by Greene King either directly as managed houses or as tenanted or franchised operations.

Our instructions are detailed in the letter of instruction dated 12 June 2015.

Our Valuation is required for the purpose of an issuance of further notes by Greene King Finance Plc (the 'Securitisation Offers').

1.2. Basis of Valuation

Christie & Co ('Christie & Co') has provided its opinion of the value of the Portfolio in accordance with the RICS, Valuation Professional Standards, Global and UK – January 2014 published by the Royal Institution of Chartered Surveyors (the 'Red Book') and incorporating the International Valuation Standards 2013 ('IVS' 2013).

Market Value is defined in the Red Book as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

The value ascribed by Christie & Co is the Market Value for the existing use of the Portfolio / Properties as licensed Public Houses, Restaurants or Hotels on the basis of the Properties present or projected condition and trading performance as fully-equipped operational entities.

We have provided our opinion of value of the respective freehold (feuhold in Scotland) or leasehold interests in the Portfolio. Brief tenure details are shown on the Valuation Summary Schedules at Appendix I.

Our reported Valuation includes any integral and adjacent unlicensed properties.

1.3. Status of Valuers

Christie & Co is the trading name of Christie Owen & Davies Limited, part of the Christie Group Plc, which is listed on the London Stock Exchange. Christie & Co was established in 1935 and is one of the UK's largest firm of surveyors, valuers and agents practising in the licensed sector.

From time to time, Christie & Co has provided various services to Greene King, including valuation, acquisition and disposal advice. In addition, Christie & Co from time to time has provided advice and services to Greene King's tenants.

We confirm that our fees generated from total fees from Greene King in our prior financial year represent less than 5% of our prior financial years income. Christie & Co is satisfied that no conflict of interest arises or exists which prevents us from undertaking the Valuation.

In undertaking the Valuation, Christie & Co is acting as External Valuer.

1.4. Management and conduct of Valuations

The Valuation has been prepared under the direction of Stephen Owens FRICS MCIArb and Ted Darley BSc (Hons) MRICS of Christie & Co. The Properties were inspected during April and May 2015 and valued under the supervision of the above named Directors by RICS qualified registered valuers, employed by Christie & Co and who are experienced in the valuation of similar licensed properties.

Christie & Co hold adequate levels of professional indemnity insurance in respect of the Valuation(s).

2 Executive Summary

2.1 Portfolio

- 1,543 Public houses, restaurants and hotels
- 773 Managed houses
- 770 Tenanted / leased or franchised properties
- 95.66% Freehold
- 1.23% Mixed tenure
- 3.11% Leasehold
- Managed brands include Hungry Horse and Farmhouse Inns

2.2 Financial

For the 773 Managed Houses the aggregate trading performance over the latest MAT (52 weeks) to 10 January 2016 is detailed below:

	Total	%
Average Sales	£898,263	
Average EBITDA	£257,820	
Liquor	£389,475,609	56.09
Food	£261,343,777	37.64
Accommodation	£25,544,925	3.68
Machines	£15,374,317	2.21
Other	£2,618,986	0.38
Total	£694,357,613	
EBITDA (excl central overheads)	£199,295,054	28.70

For the 770 Tenanted Properties the aggregate trading performance over the latest MAT (52 weeks) to 10 January 2016 is detailed below:

	Total	Average per pub
Total Volume (beer)	144,658	188
Wholesale Margin	£35,994,883	£46,747
Rent	£30,291,866	£39,340
Machine Income	£1,378,617	£1,790
Gross Income	£67,665,366	£87,877
Less repairs, maintenance & other costs	£1,045,111	£1,357
EBITDA (excl central overheads)	£66,620,255	£86,520

2.3 Valuation

	Portfolio	No. Properties	Valuation (£)
Managed	One	177	442,625,000
	Two	132	349,160,000
	Three	60	197,285,000
	Four	404	662,312,000
Tenanted	A	385	261,895,000
	B	385	264,715,000
Total		1,543	2,177,992,000

3 The Portfolio

3.1 Overview

The Portfolio comprises 1,543 Properties which form part of a wider portfolio circa 3,000 Public Houses, Restaurants and Hotels operated by Greene King throughout the United Kingdom.

Greene King is one of the country's leading Pub and Brewery companies with a long history and pedigree dating back more than 200 years with its headquarters and a brewery at Bury St Edmunds.

Excluding the recently acquired Spirit Group estate, Greene King operate circa 1,900 Public Houses, both directly as managed houses; tenanted/leased properties where the day to day responsibility for running the business rests on the tenant/licensee with business support provided by Greene King and franchised operations which are operated on a semi-partnership basis.

Greene King has expanded its estate both organically through single-site acquisitions and small packages and inorganically through the acquisition of groups of both managed and tenanted operations.

This includes the acquisition of Morlands (422 pubs) in 1999, Old English Inns (136 pubs) in 2001, Morrells (107 pubs) in 2002, Laurel (432 pubs) in 2004, Belhaven (283 pubs) in 2006, Hardy & Hansons (268 pubs) in 2006, Loch Fyne (36 restaurants) and New Century Inns (49 pubs) both in 2007, a portfolio of 11 managed pubs from Punch Taverns in 2009, Real Pubs (14 pubs) in 2011, Capital Pub Company (33 Pubs) in 2011 and Cloverleaf (11 Food Pubs) in 2011.

The expansion continued with the purchase of the Spirit Pub Company which comprised 1,207 managed and leased pubs which completed on 23 June 2015.

Throughout the period of expansion, Greene King has sought to improve the quality of its estate by acquiring high quality units and at the same time disposing of its bottom end estate through prudent estate 'churn'. Most recently, this involved the sale of 275 non-core pubs to private equity backed Hawthorn Leisure in May 2014.

The managed Properties are within the company's retail division, which includes branded and unbranded pubs, restaurants and hotels, with the main branded operations including the likes of Hungry Horse, Old English Inns, Loch Fyne Seafood & Grill, Eating Inn & Farmhouse Inns Pub Dining & Carvery.

The tenanted, leased and franchised Properties are within the Pub Partners Division, operated under a variety of occupational and tenancy agreements, the majority on a tied or partially-tied basis with the franchise agreements being operated under the 'meet and greet' and 'local hero' banners.

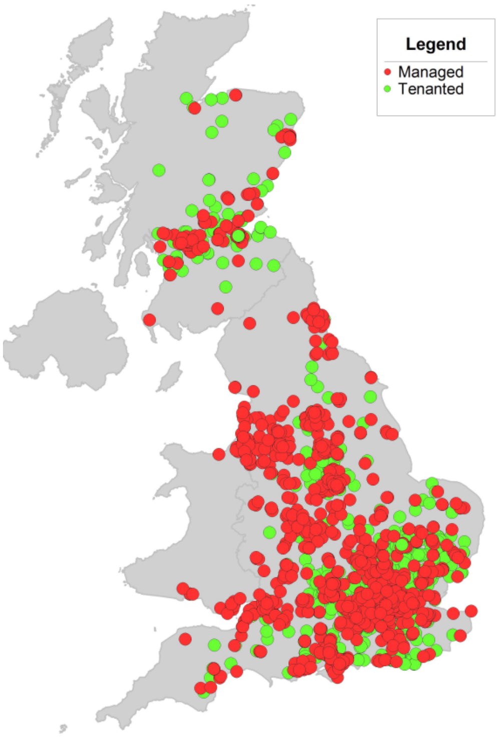
The tenanted and leased Properties are let on a variety of lease types reflecting the historic composition of the Greene King estate with short term leases generally being on an internal repairing basis with longer term leases being on a full repairing basis.

There are also a variety of tied types, ranging from partial-tie to full-tie with a small number of free-of-tie properties.

The securitised Portfolio comprises 1,543 Properties split 773 managed and 770 tenanted/leased.

The estate is predominantly freehold, with 95.66% of the Properties held freehold, 1.23% on long leases at nominal rent and 3.11% held on commercial leases at market rents.

Geographically, the estate is spread throughout the United Kingdom as indicated below.

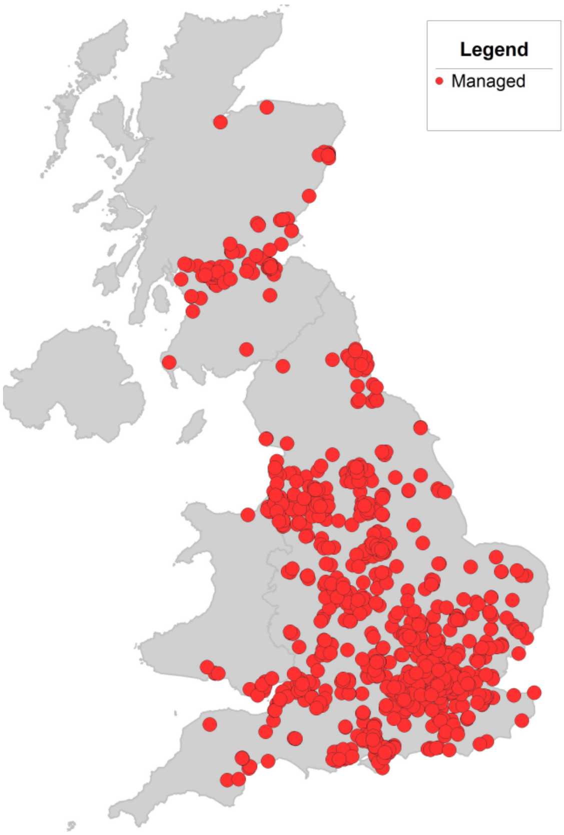


We further identify the spread of the Portfolio regionally as detailed below.

	Managed	Tenanted	Combined	%
East Midlands	53	51	103	6.68
East of England	124	256	380	24.63
London	57	35	92	5.96
North East	17	3	20	1.30
North West	72	5	77	4.99
Scotland	84	95	179	11.60
South East	192	271	463	30.00
South West	83	31	114	7.39
West Midlands	33	7	40	2.59
Yorkshire and The Humber	47	16	64	4.15
Wales	11	0	11	0.71
Total	773	770	1543	100.00

3.2 Managed

Geographically the estate is spread throughout the United Kingdom as indicated below.



The managed Portfolio is 93.66% freehold, 1.55% mixed tenure with 4.79% of the estate being leasehold.

The managed Portfolio comprises the following brands' regions. For those Properties which are non-branded or operate with a soft brand, the Properties have been identified by reference to the region within which they are located.

Brand/Region	Number
Belhaven	72
Eating Inn	26
Farmhouse Inns	9
Hungry Horse	168
Metropolitan	28
Inns	99
Premium Rural Inns	7
East of England	72
South East	144
South West	42
Midlands	27
North	79
Total	773

Within the leasehold part of the Portfolio, the highest rent is the Farmhouse at Portsmouth, where the current passing rent is £100,000 per annum with a lease expiry date in 2080. The next highest rent is the Farmhouse at

Kesgrave, where the rent is £68,385 per annum with a lease expiry in 2092. Otherwise, rents are less than £60,000 per annum.

The shortest lease expiry term is the Crane at Basildon where the lease expires in 2053, followed by the Beacon at Basingstoke where the lease expires in 2056. Otherwise, there are two further leases expiring in 2057 & 2058 and thereafter there are eight leases expiring in the following 20 years.

Within the managed Portfolio, 79 Properties have letting bedrooms, which are detailed below in terms of their spread per brand.

Brand	Number	Total Letting Rooms	Average no Letting Rooms
Belhaven	3	25	8
Eating Inn	3	86	29
Metropolitan	1	20	20
Hungry Horse	11	400	36
Inns	52	1252	24
South	2	6	3
Midlands	4	83	21
North	3	26	9
Total	79	1898	24

Out of the managed Portfolio, 564 properties have car parking facilities which equates to 73% of the Portfolio. Where car parking is provided, the average number of spaces is 43 per property.

A high proportion of the managed Portfolio benefits from external trading or garden areas, with 688 Properties or 90% of the Portfolio having trade gardens/external areas with an average of 87 external covers provided per property.

In the next section of this report, we detail the Valuation methodology adopted in a Portfolio Valuation such as this. This involves taking into account a number of factors in order to decide how the Properties would be best grouped in order to maximise interest and value.

Amongst other matters, we have taken into account the following:

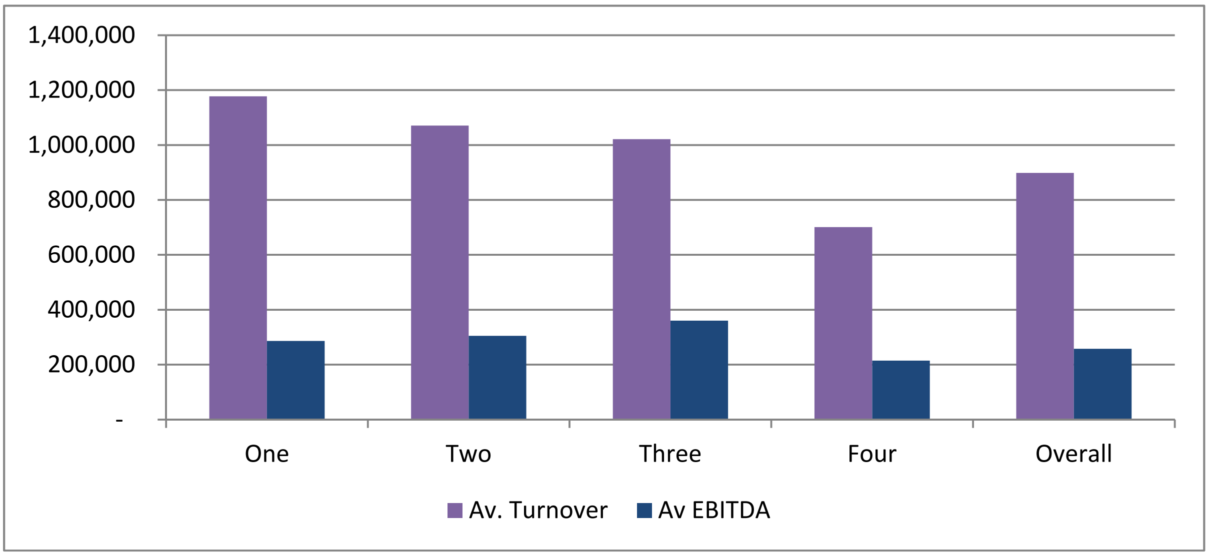
- Strong purchaser demand from both trade and private equity for freehold backed assets
- Most buyers would prefer to acquire either a wholly managed or wholly tenanted estates
- Managed house purchasers would bid aggressively for established and proven brands capable of further rollout
- Similarly, strong demand exists for ‘soft’ or non-branded managed pubs
- There is a strong demand from both regional and national purchasers for assets within London and the M25
- Recent legislation introducing a Market Rent Option (MRO) for tenanted pub companies and brewers operating in excess of 500 tied properties would restrict interest to lot sizes below this level
- Portfolio lot sizes have had regard to the current funding market

Based on the above, we have segmented the managed Portfolio into the following sub four Portfolios:

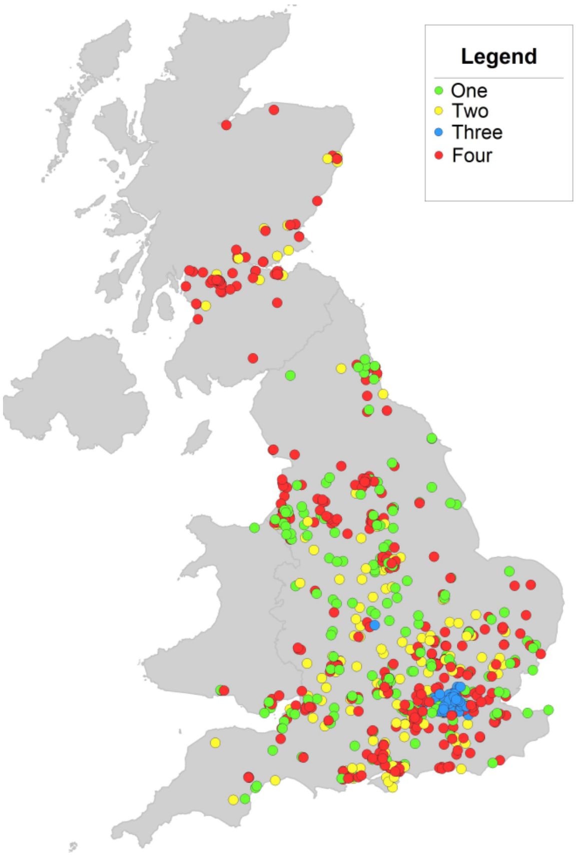
Portfolio	Number
One	
Farmhouse Inns	9
Hungry Horse	168
Total	177
Two	
Eating Inn	26
Premium Rural Inns	7
Inns	99
Total	132
Three	
Metropolitan	28
South East	32
Total	60
Four	
Belhaven	72
Midlands	27
East of England	72
North	79
South East	112
South West	42
Total	404
Grand Total	**773**

We have included within Portfolio Three a number of Properties that currently are within the 'South East' division where such Properties are also within the Greater London area and the general geographical spread of the Metropolitan division.

Details of the respective financial performance of each Portfolio is detailed below.



Set out below is the geographical distribution of the managed Portfolios.



A more detailed breakdown of income for the whole managed Portfolio is set out below.

P9 MAT 2015-16		
Liquor Sales	389,475,609	56.09%
Food Sales	261,343,777	37.64%
Accommodation Sales	25,544,925	3.68%
Machine Sales	15,374,317	2.21%
Other Sales	2,618,986	0.38%
Total Sales	694,357,613	100.00%
Average Sales per Pub	898,263	
EBITDA (excl central overheads)	199,295,054	28.70%
Average EBITDA per Pub	257,820	

As can be seen, income for the whole managed Portfolio is split 56.09% in favour of liquor sales, 37.64% in respect of food sales and 3.68% in respect of accommodation with ancillary income from machines 2.21% and other 0.38%. EBITDA stands at 28.70% which equates to £257,820 per pub.

Portfolio One

P9 MAT 2015-16		
Liquor Sales	90,634,491	43.48%
Food Sales	106,874,129	51.28%
Accommodation Sales	4,904,783	2.35%
Machine Income	5,308,979	2.55%
Other Sales	709,005	0.34%
Total Sales	208,431,386	100.00%
Average Sales per Pub	1,177,578	
EBITDA (excl central overheads)	50,670,418	24.39%
Average EBITDA per Pub	286,274	

Portfolio One comprises the Hungry Horse and Farmhouse Inn brands totalling 177 Properties. The total income per Property and income split reflects the fact that these are food-led branded operations with overall 51.28% of income being derived from food sales. Average turnover is £1,177,578 per Property compared to the average turnover per Property of the whole managed Portfolio of £898,263. This reflects the size and scale of the operations and strong brand identity.

The lower gross margin on food sales compared to liquor sales and higher running costs for a food-led operation (principally labour costs) results in a lower net margin / EBITDA conversion at 24.39% compared to 28.70% for the whole managed Portfolio.

EBITDA per pub is £286,274 compared to £257,820 for the whole Portfolio which is driven by the higher overall sales.

Portfolio Two

P9 MAT 2015-16		
Liquor Sales	50,576,545	35.78%
Food Sales	69,682,068	49.29%
Accommodation Sales	19,066,706	13.49%
Machine Income	827,381	0.59%
Other Sales	1,205,794	0.85%
Total Sales	141,358,495	100.00%
Average Sales per Pub	1,070,898	
EBITDA (excl central overheads)	40,231,814	28.46%
Average EBITDA per Pub	304,786	

Portfolio Two comprises the Eating Inn, Premium Rural Inns and Inns brands and not surprisingly with letting accommodation and food being the main drivers of the businesses, liquor sales are comparatively low at 35.78% of sales, compared to the whole managed Portfolio of 56.09%. Food accounts for 49.29% of sales and accommodation at 13.49%. Overall sales per Property at £1,070,898 is ahead of average turnover per Property for the whole managed Portfolio at £898,263.

EBITDA is at 28.46% of sales, marginally lower in percentage terms than the whole managed Portfolio but some way ahead per Property in actual terms at £304,786 versus £257,820.

Portfolio Three

P9 MAT 2015-16		
Liquor Sales	43,336,676	70.73%
Food Sales	16,768,592	27.37%
Accommodation Sales	492,049	0.80%
Machine Income	521,871	0.85%
Other Sales	149,107	0.24%
Total Sales	61,268,294	100.00%
Average Sales per Pub	1,021,138	
EBITDA (excl central overheads)	21,610,371	35.27%
Average EBITDA per Pub	360,173	

This comprises the Metropolitan division and other managed operations in the London/Greater London area and consists of 60 Properties.

Overall turnover is £1,021,138 per property, compared to £898,263 for the whole Portfolio with liquor sales accounting for 70.73% of sales and food 27.37%. EBITDA performance is an impressive £360,173 per Property (35.27% of sales), which is achieved as a consequence of higher than average retail wet prices due to the Portfolio's geographic bias and high proportion of liquor sales at 70.73% of turnover.

Portfolio Four

P9 MAT 2015-16		
Liquor Sales	204,927,897	72.34%
Food Sales	68,018,987	24.01%
Accommodation Sales	1,081,387	0.38%
Machine Income	8,716,086	3.08%
Other Sales	555,080	0.20%
Total Sales	283,299,438	100.00%
Average Sales per Pub	701,236	
EBITDA (excl central overheads)	86,782,451	30.63%
Average EBITDA per Pub	214,808	

Portfolio Four comprises the non-branded or soft-branded pubs totalling 404 Properties. Liquor sales for the Portfolio are the highest in percentage terms of all the managed Portfolios at 72.34% reflecting the more 'local' nature of many of the Properties. Consequently average sales per Property is £701,236 compared to £898,263 for the whole Portfolio. As a result, EBITDA per Property is £214,808 compared to the overall average of £257,820 but with a higher EBITDA conversion percentage of 30.63% compared to the whole managed Portfolio of 28.70%.

Tenanted

The tenanted Portfolio is 98% freehold with 1% mixed tenure and 1% leasehold.

In respect of the leasehold Properties the rents can be considered relatively low with only three Properties having what could be considered substantive rents, namely the Sandpiper at Washington (rent £8,500, lease expiry 2057), Kestrel at Basingstoke (rent £10,500, lease expiry 2073) and Tollgate at Beckton (rent £22,625, lease expiry 2028). The shortest lease expiry date is the Castle at Cambridge with a lease expiry date of 14 August 2034.

The Portfolio is let on a variety of lease types which can be summarised as follows:

- 9.61% Up to one year/temporary tenancies
- 26.88% Short Term Agreements (from one to five years)
- 37.14% Medium Term Agreements (from five to ten years)
- 21.04% Long Term Agreements (more than ten year)
- 5.32% Franchise Agreements

Set out below is the summary of the financial performance of the estate over the last four years.

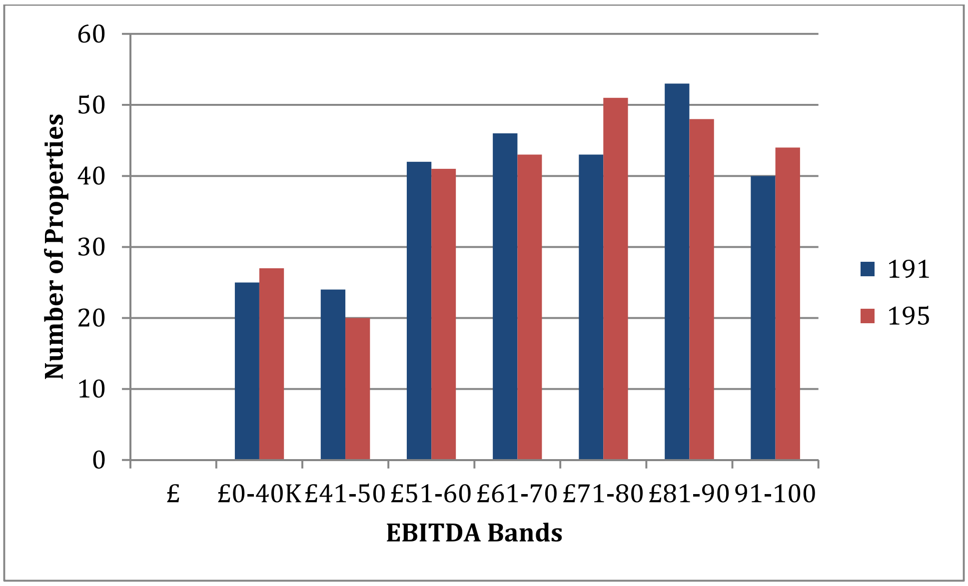
	2012-2013	2013-2014	2014-2015	P9 MAT 2015-16
Wholesale Margin	31,560,314	33,271,297	34,640,268	35,994,883
Beer Volume (barrels)	146,739	150,293	145,896	144,658
Rent	29,081,516	29,930,430	29,931,489	30,291,866
Machines	1,357,185	1,337,278	1,331,933	1,378,617
Less repairs, maintenance & other costs	1,881,849	724,613	878,051	1,045,111
EBITDA (excl central overheads)	60,117,165	63,814,392	65,025,639	66,620,255
Average EBITDA	78,074	82,876	84,449	86,520
Average Beer Volume	191	195	189	188

The Proportion of EBITDA from the various sources namely Net Wholesale Margin, Rents, Machine Income and other income has remained relatively constant over the last four years. We do however see rent as a percentage declining over the period from 48.37% to 45.46% offset by an increase in the overall EBITDA contribution from Net Wholesale Margin increasing from 52.50% to 54.03%.

This is reflected in the increase in the Net Wholesale Margin per beer barrel increasing from £215 to £249.

In our experience this trend is similar to other tenanted pub companies, although we could make the point that Greene King has outperformed their peer group and competitors in increasing the overall EBITDA over the period with EBITDA on the latest MAT trading information now 10.82% higher than in 2012/13.

Banded EBITDA performance of the Portfolio is set out below. Blue is Portfolio A, red is Portfolio B.



In deciding the appropriate Portfolio division for the tenanted estate, the key determination was to create two equally attractive Portfolios with a similar geographical spread, income/EBITDA and barrelage profile.

Set out below is a table showing the split of pubs and income and barrelage for the two tenanted Portfolios.

Portfolio	Properties	Total EBITDA (excl central overheads)	Total Rent	Av. Beer Volume
A	385	33,306,659	14,898,209	192
B	385	33,313,596	15,393,658	184
Total	770	66,620,255	30,291,867	188

4 Valuation Methodology

4.1 Approach to the Valuation

The Valuation has been prepared in accordance with the Red Book published by the RICS having regards to the definition of Market Value set out at section 1.2 of this report.

In accordance with VPGA8 of the Red Book, entitled 'Valuations of Portfolios, collections and group of properties', we have had regard to where the ownership of a number of separate properties would be of a particular advantage to a single owner or occupier because of economies that may result from either increased market share or savings in administration or distribution.

The Portfolio comprises a mix of managed houses, tenanted properties (held on a variety of lease types) and franchise agreements.

In our opinion, there is a market for such properties of public houses, restaurants and hotels and these are commonly assessed by the market, and consequently by valuers, as part of a sale of a portfolio or in sub-groups. It is therefore appropriate to consider and provide a valuation on the basis that it is reasonable to assume that a group or portfolio sale is most likely and advantageous.

Given the nature of the Portfolio and its geographical distribution, we believe that there is likely to be a buyer for the six identified sub-parts of the business who will be able to negotiate a similar price discounts and the purchasing terms to those that have been adopted in the Valuation.

The Valuation assumes that a Property will be sold as part of a Portfolio or group sale and does not necessarily represent the valuation of individual Properties and if the Properties were to be disposed of individually, or in smaller groups, then the sum of the values realised are likely to be less than the Valuations reported herein.

4.2 Inspections

All of the Properties have been inspected by directly employed RICS Registered Valuers of Christie & Co during April and May 2015.

Inspections have been to all parts of the Properties. In a small number of cases access to certain properties has been restricted, either in whole or in part, such as in the case of Properties that have been undergoing substantial alteration or refurbishment works.

4.3 Information provided

For all of the Properties we have been provided with brief tenure information, detailing whether the Properties are held freehold or leasehold. For the majority of the Properties we have also been provided with a copy of a 'Promap' or Land Registry plan which details the boundaries of the Properties. We have compared these plans to the physical boundaries on site.

For Properties held on lease we have been provided with brief tenure details, including lease term, lease start date, passing rent and next rent review date. We have not considered or read any copy leases and have assumed that the Properties are held on commercially acceptable agreements. Should this transpire not to be the case, we reserve the right to amend our opinion of value for any such Property.

For all Properties, we have been provided with trading information for the last 6 full financial years and moving annual total ('MAT') for Period 9 of the current financial year to 10 January 2016. The financial year end is 1 May 2016.

We have also been provided with details of the amount of capital expenditure on maintenance and development of each Property for the corresponding periods.

For the managed houses we have been provided with financial trading information in an abridged profit and loss format. This details sales by its constituent parts of liquor, food, accommodation and other sales.

In addition, we have been provided with gross profit, total fixed and variable costs, repairs and maintenance, other costs, and earnings before interest, tax, depreciation and amortisation ("**EBITDA**").

For the licensed tenanted Properties, we have been provided with tied-volume (barrelage) figures for beer, wines, spirits and minerals for the same corresponding periods as detailed above for the managed houses.

In addition, we have been provided with beer and non-beer wholesale profit, which we are advised is the gross profit received by Greene King from the sale of tied products to their tenants after normal contractual discounts have been provided to the tenants.

Tenants also receive 'retrospective discounts' which are paid for example where volume incentive schemes exist. We have been provided with details of such discounts and have taken these into account in our Valuations.

Furthermore, we have been provided with details of rent receivable, machine income, repairs and maintenance and any other income or head lease rent costs in order to calculate EBITDA. For the tenanted Properties we have also been provided with details of the occupational agreement including the current passing rent, agreement type, start and end date and whether there are any rental concessions in force.

For each agreement type, we have been provided with a summary of the lease or tenancy terms. We have not been provided with individual tenancy agreements and we have relied upon the summary information as being correct.

4.4 General terms and assumptions

Apart from the unlicensed properties, all the Properties have been valued on the basis of their existing use as fully equipped, operational public houses, restaurants and hotels. We have assumed that these are the authorised uses under the relevant planning legislation.

We have assumed that all requisite consents, licenses and permissions have been obtained and that there are no additions or works required by the appropriate authorities and that there are no proposals likely to affect the Properties or their values.

We have assumed that the information could be substantiated by independent audit, if necessary. We can take no responsibility for any misstatement, omission or misrepresentation made to us and confirm that, in the event of any future changes in the trading potential or actual levels of trade at any Property, the Valuation(s) could also vary.

The Valuation(s) has been made without undertaking any form of structural survey or testing the services, and we are therefore unable to report that any of the Properties are free from any structural fault, rot, contamination, infestation, or defects of any other nature, including inherent weaknesses due to the use in construction of materials now considered suspect.

On our inspections, due regard was paid to the state of repair and condition of the Properties and this was taken into account of assessing the Valuation(s). We have not undertaken any detailed investigations into the condition of any Property and assume there are no significant defects that would affect the Valuation(s).

We have not carried out or commissioned site investigations or geographic or geophysical surveys and therefore can give no opinion or assurance or guarantee that the ground upon which any of the Properties are built has sufficient load bearing strength to support the existing constructions or any of the constructions that may be erected in the future.

We can give no assurance or guarantee that there are no underground mineral or other workings beneath the sites or in their vicinity nor that there are no faults or disabilities underground which could or might affect the Properties or any constructions thereon.

We are not aware of the contents of any environmental audits or other environmental investigations or soil surveys which may have been carried out at the Properties and which would draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out at the Properties. We have not carried out any investigations into past or present uses, either at the Properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the Properties, and have therefore assumed that none exists. However, should it subsequently be established that contamination exists at the Properties or at any neighbouring land, or that the Properties have been or are being put to a contaminative use this might affect the Valuation(s) now reported.

The Valuation(s) is inclusive of landlord's fixtures and fittings which normally form part of the land and buildings but excludes tenants' fixtures and fittings.

With regard to the managed Properties, these normally change hands in the open market as fully equipped operational business units. The Valuation(s) therefore include and encompass all trade furnishings, fixtures, fittings, plant and equipment as these are normally included in a sale.

We have assumed that the Properties are free and clear of all mortgages and all other charges which may be thereon.

We have assumed the Properties and the Valuation(s) thereof are unaffected by any matters which might be revealed by any local land charges search, replies to preliminary enquiries or other statutory notices and that no Property nor it's condition or use is in anyway unlawful, and that the Properties comply in every respect with all statutory and other requirements.

We have assumed that all Properties are free from any underletting or other rights of occupation other than those disclosed to us.

We have assumed that all Properties are compliant with the requirements of the Equality Act 2010. We have made no allowance for any works which may be required to achieve compliance or any disruption to the business which may result.

Property owners are legally required to identify and control asbestos-containing material ('ACM') in their properties. We assume that Greene King and any previous owners of each Property have complied with such requirements and there is no unidentified ACM within any Property.

We have assumed that the Properties are trading in full compliance with the requirements of the Licensing Act 2003 and that valid Premises Licences are held for each Property.

We assume that all refurbishment, maintenance and repair works have been carried out in accordance with all relevant building control and planning regulations and requirements. We have assumed that appropriate architects' certificates have been, or will be, issued for the works, and that all necessary guarantees, warrantees and certificates have been issued by the relevant suppliers, contractors and manufacturers and that these can be assigned or transferred to a purchaser.

We have assumed that the trading information provided by Greene King is accurate and realistic and represents their reasonable expectations of the performance of each Property.

4.5 Exclusions

We have not allowed for the costs of realising the value of any Property in the open market, including professional fees, possible tax liabilities and redundancy or other compensation payments that could be incurred in the event of a sale. Furthermore, we have not taken into consideration changes in legislation that are either subject to current debate, published in Green or White Papers, or Draft Bills, which are yet to pass through all necessary parliamentary stages before enactment.

We have excluded from the Valuation(s), values of stock in trade, glassware, technical services equipment, motor vehicles, trade debtors, or creditors, other assets or liabilities or contingent liabilities. Where there is potential development or other alternative use value, we have had regard to that potential in arriving at our opinion of value but we have not made any planning or other similar investigations or enquiries.

Each Property is being valued as being free and clear of all debentures, mortgages or other forms of secured lending or any other charges that may be secured thereon.

5 Market Commentary

5.1 Overview

There are currently circa 49,800 pubs in the UK (source BBPA/Christie & Co analysis) with ownership divided between long established regional brewers, Pub Co's, managed house operators, Private Equity and individuals. A relatively low proportion of the market is national brands.

Since the Monopolies and Mergers Commission (MMC) Report and the subsequent "Beer Orders" that were introduced in 1989 the ownership structure of pubs in the UK has significantly changed, as is demonstrated in the table below. We comment further on the Beer Orders later.

The UK's Largest Pub Companies by Number of Pubs 2005 – 2016

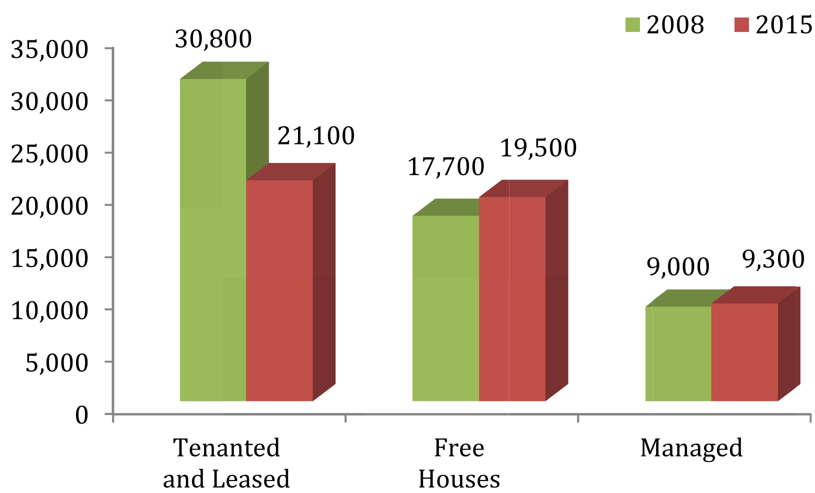
Company	Type	2005	2016
Enterprise Inns Plc	T/L	8,575	5,900
Punch Taverns Plc	T/L	8,300	4,500
Greene King Plc / Spirit	T/L, M	2,075	3,100
Marston's Plc	T/L, M	2,125	2,078
Admiral Taverns	T/L	175	985
Mitchells & Butlers Plc	M	2,000	1,750
Spirit	M, T/L	2,000	0
Star Pubs and Bars	T/L	1,000	921
Wellington Pub Co Ltd	T/L	850	824
JD Wetherspoon Plc	M	660	954
Stonegate	M	0	540

T/L – tenanted/leased; M – Managed

The 2016 figures are based on public information gathered by Christie & Co.

Source: The Publican 'Industry Report', Key Note, Christie & Co Analysis

Current Segmentation



Source: BBPA, Christie & Co Estimates: BBPA, Christie & Co estimates

There are four types of pub; tenanted, managed, freehouse and franchised. The latter is a reasonably new model which was adopted initially by the pub companies Greene King and Marston's.

In the case of 'tenanted' pubs there are two types of tenancies available: 'tied' and 'free-of-tie'.

The former involves private individuals (or small companies) leasing pubs primarily from Pub Co's (Enterprise, Punch etc), usually on 1-30 year agreements. The agreements require the operator to buy beer and other drinks from the Pub Co's (or its nominated supplier) and in return the tenants obtain modest discounts and pay less rent than they would for a 'free-of-tie' lease. They also receive "business development" support from their landlord. Pub Co's earn a substantial proportion of their income from the 'tie'. Tied pubs are almost all unbranded other than some brewery badging.

In contrast, with a 'free-of-tie' tenancy, operators pay a simple property rent (higher than the 'tied' lease rent) but are able to buy beer from any source at discounted prices. At present 'free-of-tie' tenanted agreements are relatively few in number. However, with the introduction of the Market Rent Only Option (MRO) the number is expected to grow over the next few years. There is a mixture of private and institutional landlords including a few from Pub Co's, although there is only one significant 'free-of-tie' portfolio (Wellington).

Across both types of tenancy, there has been a trend towards shorter more flexible leases over the last few years.

With regard to 'managed pubs', branded or unbranded, they tend to be larger than other types of pubs with operators including Mitchells & Butlers, JD Wetherspoon and Greene King. The branded pubs comprise a mix of both freehold and leasehold properties, which are almost always free-of-tie (the operators leverage this to maximise gross margins).

A 'Freehouse' is where the operator runs his own business in a (usually) freehold property. There are no obligations to buy from any particular suppliers and consequently the operator can negotiate best terms.

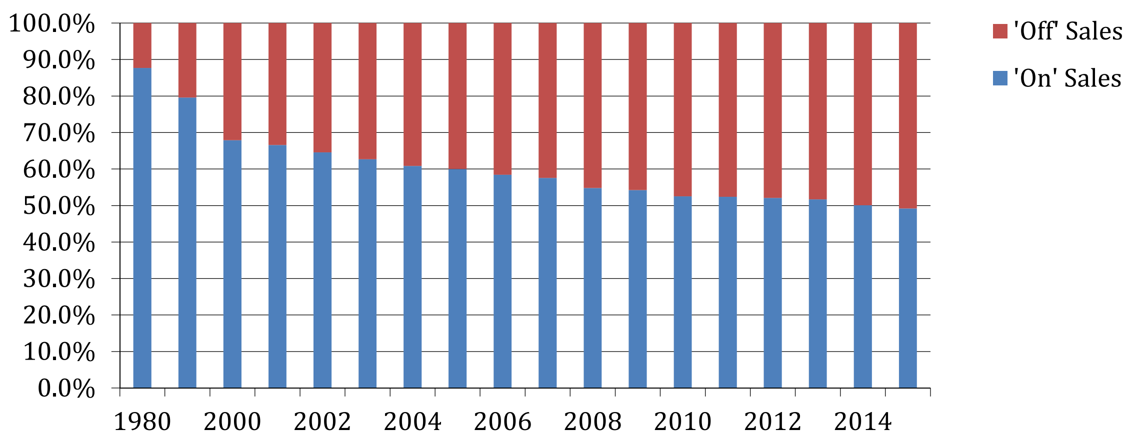
5.2 Market Environment

A cornerstone of the UK leisure and hospitality sector the pub and restaurant sector employs around 1.15m people (source National Statistics Office) and the wider beer and pub industry contributes £21.37Bn to the UK economy including £13.44Bn in wages (source Oxford Economics).

As previously stated the Beer Orders were introduced in 1989 and one of the unintended consequences was that beer production and supply transferred to the hands of the few national/international brewers, however many small craft and micro brewers have re-established themselves particularly in the last few years.

Although beer volumes have been in decline for many years, the latest statistics show a marginal reversal of this trend. Whilst there has been a decrease in overall beer and alcohol consumption there has also been a shift from 'on' to 'off' sales. ('On' sales comprise pubs, restaurants, hotels and other licensed premises, whilst 'Off' sales comprise specialist off-licences, grocers, supermarkets and other retailers.)

% Distribution of Total UK Beer Sales between 'On' and 'Off' channels



Note: 'On' sales comprises pubs, hotels, wine bars, restaurants and clubs, whilst 'Off' sales comprise specialist off-licences, grocers, supermarkets and all other shops.
Source: BBPA Statistical Handbook 2014

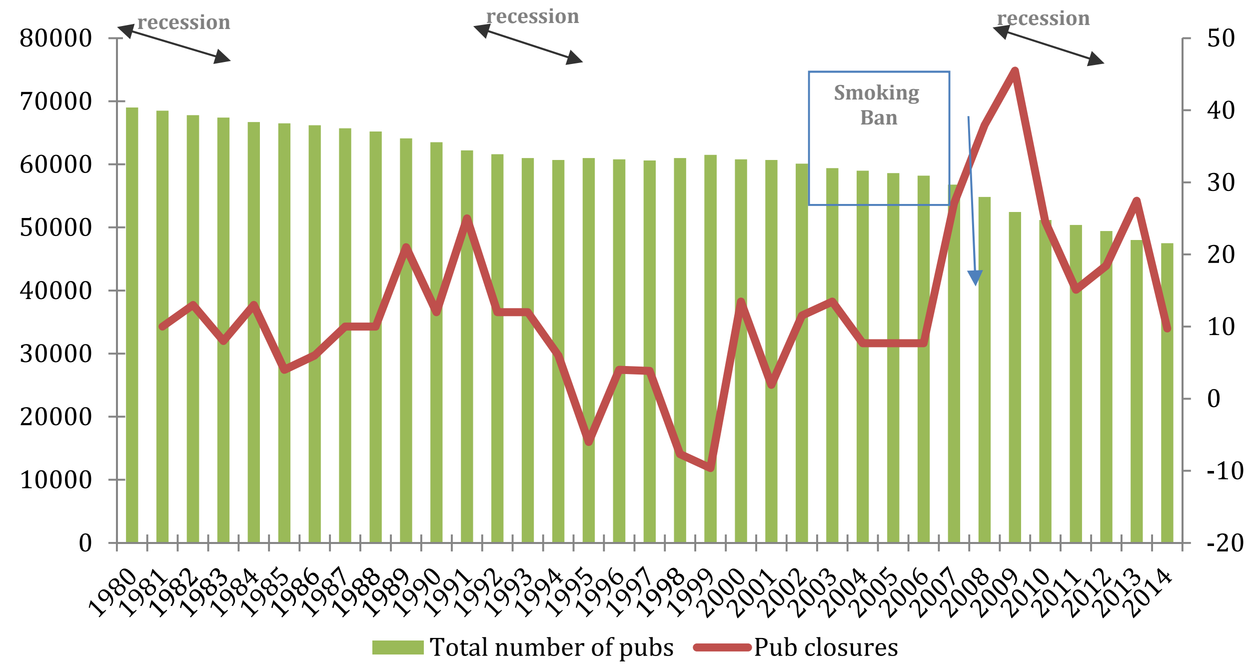
During the recession where disposable income was low the majority of the population limited their eating and drinking out with their income being directed to ‘Off’ sales, assisted by aggressive discounting by supermarkets.

Customers in all sectors required a value for money experience, more than ever during the recession, and the pub sector was no exception with more food-led promotions being introduced to compete with restaurants. A combination of this and other factors has led to draught beer sales being replaced by food, wines and alternative drink products.

The downward trend in pub numbers reflects changing social and economic patterns. The closure rate accelerated in 2007 with the introduction of the smoking ban and reached a peak of 52 per week in mid 2009 with the recession. Most closures were from the bottom end of the tenanted estates and late-night and wet-led operators were the most affected.

As we emerged from the recession trading fortunes improved. This was evident initially in the relatively robust managed house sector, where they were generally able to respond more quickly to the changing marketplace and fared better through the downturn. It has emerged more recently in the tenanted sector, although undercapitalised operators have struggled to adapt to customers’ increased expectations.

Total Number of Pubs in the UK 1980 - 2013



Note: Negative figures show net gain

Source: BBPA, Christie & Co Analysis

5.3 Introduction of the National Living Wage

The Chancellor announced in his July 2015 Budget that a new National Living Wage (NLW) will be introduced from April 2016. This replaced the National Minimum Wage (NMW). It starts at £7.20 per hour for the over 25s, and reaches £9 per hour by 2020. The new NLW is an increase of 10.8% on the NMW which stood at £6.50.

Due to the prevalence of staff paid the NMW in this sector, in many parts of the UK, we see this move as being negative news for many businesses, and likely to result in some net profit squeeze. We recommend that financial forecasting should take this wage rise into account.

Our valuation(s) reflect current market sentiment and our assessment of trade is based upon current wage levels.

5.4 Market Rent Only Option ("**MRO**")

On the 26th March 2015, the Smaller Business, Enterprise and Employment Bill received Royal Assent.

The Bill introduces a Statutory Pubs Code and an Independent Pubs Code Adjudicator (PCA) to enforce it. On the 10 March 2016 the government announced that it had appointed a PCA with effect from early May and reconfirmed its commitment to introduce the Code by the end of May.

As the Bill passed through the various stages through Parliament, it was amended to include a Market Rent Only ("**MRO**") option, which effectively permits a tenant to request the grant of a free-of-tie rent, ending the product tie and other services save for insurance. It applies to the tenants or brewers and Pub Co's who have 500 or more tied pubs, potentially affecting Enterprise Inns, Punch Taverns, Admiral Taverns, Greene King, Star Pubs & Bars (Heineken) and Marston's.

It is currently envisaged that the option for a MRO can be exercised by a tenant either at rent review or lease renewal, although it can be excluded subject to conditions where there is significant investment by the landlord/owner.

The legislation will undoubtedly have a significant impact on the sector. Already we have seen the large Pub Co's taking actions to mitigate any adverse implications by transferring pubs into managed or franchised formats; setting up managed house divisions where they do not exist and granting shorter term agreements.

Clearly Pub Co's and brewers are more at risk where a large proportion of their income is derived from wholesale profit rather than rental income.

It is difficult at this stage to predict the ultimate impact on the sector once the legislation comes into force other than it seems inevitable that more pubs will be converted into managed or franchised formats. The free-of-tie/freehouse sector will grow and perhaps an unintended consequence is that investment in tied pubs will contract, which is expected certainly in the short term.

5.5 EU Referendum

The European Union (the "**EU**") is an economic and political partnership comprising 28 countries. It has become a "single market" in which people and goods move around freely.

A referendum is to be held on 23 June 2016 to decide whether Britain should remain in the EU.

The case for Britain remaining in the EU is: easier trade within the EU area, migration aids economic growth and helps pay for public services, and generally better economic and political security. Conversely, the case for Britain leaving the EU is based on: too many rules imposed on businesses, high EU membership costs for little in return, and border control to limit immigration.

Public opinion is divided. Big businesses generally want to remain in the EU, whereas smaller businesses would welcome a cut in red tape and the removal of what some describe as petty EU regulations.

As at the Valuation Date the outcome of the referendum is unclear. In respect of VPGA9, the market for the subject Property continues to operate normally, and no noticeable volatility is being caused ahead of the referendum. If Britain votes to leave the EU, the degree of future volatility is not known.

5.6 The Market

Our analysis of transactions during 2015 reveals that pub prices rose 10.1% during the year. This continued the rising trajectory of the market in 2014, when prices rose 8.6%. We summarise as follows:

Overall, there is renewed confidence in the marketplace and a slightly improved appetite amongst the major lenders to lend into the pub sector, be it for individual assets or groups.

5.7 Transactional Activity

5.7.1 Pub disposals

Whilst pub closure programmes do continue, this tends to be at the bottom end of the market in unviable locations. Overall the rate of pub closures is flattening out and we are now reaching a more sustainable number of pubs in the market. The pubs sold by Christie & Co marked as distressed has halved in 2015, a clear sign that the pubs sector is showing recovery, supported by overall economic improvement in the UK.

5.7.2 Shift in demand

One of the last sizeable managed house portfolios, Tattershall Castle Group (TCG) , was sold by Christie & Co in October 2015 and further diminishes the availability of managed house stock in the market. Demand for these types of assets will continue in 2016, ultimately leading to a further increase in values and a shift in interest from Pub Co's, investors and private equity players towards the acquisition of single sites or smaller multiple operator portfolios (which have significantly increased in numbers over the past five years). As there are now fewer managed house portfolios the new influx of buyers to the market have a smaller pond to fish in which will also push up prices.

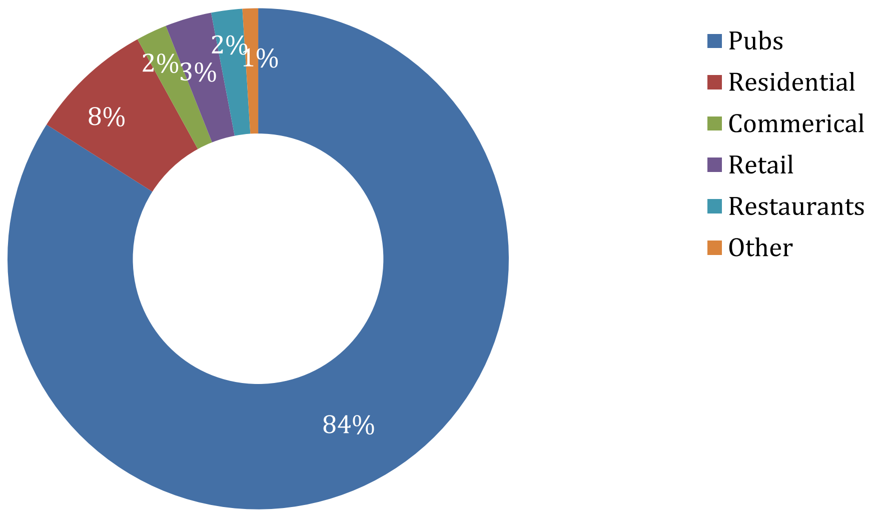
5.7.3 Opportunities in the market

This shift in the market provides a real opportunity for small multiples operators, of which there are about 300 in the UK, to take advantage and command higher multiples for their businesses. In 2016 we predict sub £20m pub group deals, mergers and acquisitions by multi-site owners who see an overall objective in exiting at a future date, attracting competition from existing managed house Pub Co's and investors, which could drive up prices.

5.7.4 Pubs remaining pubs

Positively, 84% of freehold pubs sold by Christie & Co in 2015 were to buyers retaining the pub for continued licensed use, a further increase of 4% on the previous year and 17% on 2013, the highest recorded percentage in 5 years. As total pub numbers in the UK have reduced what remains are more viable, sustainable trading entities. Only 8% of total number of pubs sold by Christie & Co were for residential use or development, and only 3% of pubs sold were for conversion to retail convenience store use. Over half of the pubs not sold for continued pub use still provide a local amenity and employment opportunities, while a staggering 92% of total freehold pubs sold by Christie & Co remain as businesses providing support to the local community.

Christie & Co Sales Breakdown



Source: Christie & Co

5.8 Major Transactions

The major transactions that occurred during 2015 are detailed below.

Date	Vendor	Purchaser	Deal
January	Butcombe Brewery	Liberation	The transaction included 19 freehold managed pubs and the brewery for a total purchase price of £18m.
March	Revolution Bars Group	IPO	Revolution Bars Group floated its shares on the London Stock Exchange for 200p per share, totalling £100m.
March	PFA Acquisitions	OLIM Property Ltd	Investment acquisition of seven freeholds, which are let to Stonegate Pub Company and its subsidiaries, purchased for £9.7m.
June	Maclay Group	Stonegate	Stonegate acquired the Maclay Inns portfolio for £12m, from the Scottish based company which had gone into administration. The portfolio included 15 pubs found in prime sites across Scotland.
June	Spirit	Greene King	The biggest deal of the year was Greene King's acquisition of Spirit Pub Company for £763m, which included circa 791 managed houses.
August	GRS Group	Red Oak Capital	Acquisition of 146 predominantly freehold properties for an undisclosed sum.
August	Punch Taverns	NewRiver Retail	NewRiver Retail acquired 158 non-core pubs from Punch Taverns for a sum of £53.5m.
August	Greene King	Star Pubs & Bars	Heineken purchased 13 pubs from Greene King, for its Star Pubs and Bars tenanted and leased estate, for an undisclosed sum.
September	Tattershall Castle Group	Stonegate	Stonegate acquired 53 core pubs from TCG, including the Tattershall Castle floating bar on the River Thames, for an undisclosed sum.
October	NBGI Private Equity	Isfield Investments	Kornicis Group, owners of Jamie's and Smollensky's branded bars and restaurants, sold by NBGI Private Equity to a new management team.

6 Valuation(s)

In accordance with the valuation methodology set out at Section 4 of this report we set out below our opinion of Market Value of the various Portfolios as at 1 April 2016. Market Value is defined at Section 1.2 of the report and subject to the General and Special Assumptions set out herein.

	Portfolio	No. Properties	Valuation (£)
Managed	One	177	442,625,000
	Two	132	349,160,000
	Three	60	197,285,000
	Four	404	662,312,000
Tenanted	A	385	261,895,000
	B	385	264,715,000
Total		1,543	2,177,992,000

Portfolio One (177 Properties) £442,625,000

Four hundred and forty two million six hundred and twenty five thousand five hundred pounds

Portfolio Two (132) £349,160,000

Three hundred and forty nine million one hundred and sixty thousand pounds

Portfolio Three (60) £197,285,000

One hundred and ninety seven million two hundred and eighty five thousand pounds

Portfolio Four (404) £662,312,000

Six hundred and sixty two million three hundred and twelve thousand pounds

Portfolio A (385) £261,895,000

Two hundred and sixty one million eight hundred and ninety five pounds

Portfolio B (385) £264,715,000

Two hundred and sixty four million seven hundred and fifteen thousand pounds

At Appendix I we have listed the various Properties included in each Portfolio together with the tenure details.

7 Confidentiality and reliance

The contents of this report and the appendices are confidential to the addressee for the specific purpose to which they refer. Christie & Co will not provide copies of the whole report or extracts thereof to any third party, without the prior written consent of the addressee, other than in fulfilment of statutory legal obligations.

If the addressee provides a copy of this report to any party for reference purpose only, it is of the clear understanding that such parties were not a party regarding the scope of the report and that Christie & Co do not accept any responsibility of duty of care towards any such party in respect of the whole or any part of the contents of this report. Before this report or any part thereof is reproduced or referred to in any document circular or statement, and before its contents or any part thereof are disclosed to any third party, Christie & Co's written approval must be obtained to the form or content of such disclosure. Any publication or disclosure must incorporate special and general terms and assumptions contained within this report.

This report has been prepared under English law and any dispute arising there from shall be adjudicated upon by the English courts.

We confirm our consent has been given for this valuation report to be reproduced in full in the Offering Circular.

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Dated 24 May 2016

APPENDICES

I Schedule of Properties

APPENDIX I

SCHEDULE OF PROPERTIES

Portfolio A

Cost Centre	Property	Street	Town	County	Postcode	Tenure
2936	Angel Hotel	19 High Street, Catterick	Richmond	North Yorkshire	DL10 7LL	Freehold
2937	Bay Horse	York Road, Green Hammerton	York	North Yorkshire	YO26 8BN	Freehold
2938	Bay Horse	West End, Winteringham	Scunthorpe	North Lincolnshire	DN15 9NS	Freehold
2939	Bay Horse Inn	5 Silver Street, Masham	Ripon	North Yorkshire	HG4 4DX	Freehold
7656	Brooklands Tap	Hope Road	Sale	Greater Manchester	M33 3YA	Freehold
1984	Grey Horse	Mill Lane, Whitburn	Sunderland	Tyne and Wear	SR6 7EL	Freehold
4731	Hay Nook	Yarwell Drive, Maltby	Rotherham	South Yorkshire	S66 8HZ	Freehold
2957	Jug & Barrel	56-58 Town Street, Stanningley	Pudsey	West Yorkshire	LS28 6EZ	Mixed Tenure
7843	Leeds Arms	29 Sheffield Road, Anston	Sheffield	South Yorkshire	S25 5DT	Freehold
7925	Raven	32 South Road, Waterloo	Liverpool	Merseyside	L22 5PQ	Freehold
2968	Red Lion	56-57 Middle Street North	Driffield	East Riding Yorkshire	YO25 6SS	Freehold
7960	Sandpiper	Easby Road	Washington	Tyne and Wear	NE38 7NN	Leasehold
8035	White Swan	Church Street, Rothwell	Leeds	West Yorkshire	LS26 0QL	Freehold
4644	Bluebell Inn	Buxton Road, Tissington	Ashbourne	Derbyshire	DE6 1NH	Freehold
4651	Bridge Inn	Calver Bridge	Hope Valley	Derbyshire	S32 3XA	Freehold
4674	Commercial Inn	19 Wollaton Road, Beeston	Nottingham	Nottinghamshire	NG9 2NG	Freehold
2949	Countryman	Park Lane, Kirkby-in-Ashfield	Nottingham	Nottinghamshire	NG17 9LE	Freehold
4703	Fox & Hounds	Calverton Road, Blidworth	Mansfield	Nottinghamshire	NG21 0NW	Freehold
4709	Gate Inn	21 Main Street	Kimberley	Nottinghamshire	NG16 2NG	Freehold
4713	George Hotel	Commercial Road, Tideswell	Buxton	Derbyshire	SK17 8NU	Freehold
4756	Lord Clyde	55 Main Street	Kimberley	Nottinghamshire	NG16 2NG	Freehold
2961	Miners Arms	Water Lane, Eyam	Hope Valley	Derbyshire	S32 5RG	Freehold
4779	Nags Head	Main Street	Woodborough	Nottinghamshire	NG14 6DD	Freehold
4836	Pear Tree Inn	4 Derby Road	Ripley	Derbyshire	DE5 3HR	Freehold
4723	Griffin Inn	Main Road	Plumtree	Nottinghamshire	NG12 5NB	Freehold

6508	Saracens Head	Market Place	Southwell	Nottinghamshire	NG25 0HE	Freehold
4918	White Lion	47-49 Town Street, Bramcote	Nottingham	Nottinghamshire	NG9 3HH	Freehold
3691	Carbeth Inn	Stockiemuir Road	Blanefield	Lanarkshire	G63 9AY	Freehold
3952	Chapmans	251 Main Street	Rutherglen	Lanarkshire	G73 2HN	Freehold
3711	Crown Inn	3 Stewart Street	Carluke	Lanarkshire	ML8 5DZ	Freehold
3728	Den	128 Drymen Road	Bearsden	Lanarkshire	G61 3RB	Freehold
3724	Eagle Inn	110 High Street	Tillicoultry	Clackmannanshire	FK13 6DX	Freehold
3955	Glen Lusset	67 Dumbarton Road	Old Kilpatrick	West Dunbartonshire	G60 5DA	Freehold
3778	Lennox Bar	139 High Street	Dumbarton	Dunbartonshire	G82 1LE	Freehold
3851	New Ship Inn	102 Newhouse Road	Grangemouth	Stirling	FK3 8NJ	Freehold
3807	Oakwood Lounge	Fairfield Road, Sauchie	Alloa	Clackmannanshire	FK10 3DE	Freehold
3843	Scotia Bar	51 Manor Street	Falkirk	Stirling	FK1 1NH	Freehold
3909	Tannahills	100 Neilston Road	Paisley	Renfrewshire	PA2 6EN	Freehold
3917	Treasury	7 Graham Street	Airdrie	Lanarkshire	ML6 6AB	Freehold
3937	William Wallace	2 Airthey Road, Causewayhead	Stirling	Stirling	FK9 5JR	Freehold
3658	Balbairdie Hotel	Bloomfield Place	Bathgate	West Lothian	EH48 1PB	Freehold
3666	Black Bitch	14 West Port	Linlithgow	West Lothian	EH49 7AZ	Freehold
3817	Carters	185 Morrison Street	Edinburgh	Midlothian	EH3 8DZ	Freehold
3710	Crown Inn	109-111 High Street	Biggar	Lanarkshire	ML12 6DL	Freehold
3723	Eagle Inn	75 High Street	Dunbar	East Lothian	EH42 1EW	Freehold
3729	Footballer & Cricketers Arms	111-113 High Street	Linlithgow	West Lothian	EH49 7EJ	Freehold
3663	Golden Goose	114 - 116 John Street	Penicuik	Midlothian	EH26 8NG	Freehold
3756	Harbour Inn	4/6 Fishmarket Square, Newhaven	Edinburgh	Midlothian	EH6 4LW	Freehold
3757	Harrow Inn	22 High Street	Galashiels	Scottish Borders	TD1 1SE	Freehold
3758	Hebrides Bar	17 Market Street	Edinburgh	Midlothian	EH1 1DE	Freehold
3794	Mercat Bar	28 West Maitland Street	Edinburgh	Midlothian	EH12 5DX	Freehold
4366	Mid Calder Inn	35 Main Street, Mid Calder	Livingston	West Lothian	EH53 0AW	Freehold
3810	Old Inn	6-8 Main Street	Carnock	Fife	KY12 9JQ	Freehold
3818	Oxford Bar	8 Young Street	Edinburgh	Midlothian	EH2 4JB	Freehold
3833	Railway Hotel	70 Court Street	Haddington	East Lothian	EH41 3AF	Freehold
3835	Ravelstone House Hotel	182 North High Street	Musselburgh	Midlothian	EH21 6BH	Freehold
3852	Ship Inn	7-9 Quality Street	North Berwick	East Lothian	EH39 4HJ	Freehold
3915	Dining Room	2 York Place	Kirkcaldy	Fife	KY1 3HN	Freehold
3969	Victoria Inn & Avenue	9 Court Street	Haddington	East Lothian	EH41 3JD	Freehold

	Restaurant					
3805	Nineteenth Hole	8 Ferrier Street	Carnoustie	Angus	DD7 7HT	Freehold
3669	Black Watch	Bank Street	Aberfeldy	Perth and Kinross	PH15 2BB	Freehold
3703	Commercial Inn	58 North Street	Inverurie	Aberdeenshire	AB51 4RS	Freehold
3977	Drouthy Cobbler	48a High Street	Elgin	Moray	IV30 1BU	Freehold
3767	Ionic Bar	39 High Street	Elgin	Moray	IV30 1EE	Freehold
3804	Niblick	2 Crown Court, High Street	Auchterarder	Perth and Kinross	PH3 1BJ	Freehold
3812	Old Ship Inn	Skinnergate	Perth	Perth and Kinross	PH1 5TJ	Freehold
3831	Queens Hotel	9 Allardice Street	Stonehaven	Aberdeenshire	AB39 2BS	Freehold
3715	Townhouse Hotel	99 High Street	Arbroath	Angus	DD11 1DP	Freehold
3772	Foxton Bar & Grill	Foxton Drive	Glenrothes	Fife	KY7 4UZ	Freehold
3668	Black Bull	5 Earl Grey Street	Mauchline	Ayrshire	KA5 5AB	Freehold
3677	Brass & Granite	53 Grange Street	Kilmarnock	Ayrshire	KA1 2DD	Freehold
3682	Bruce's Well	91 Portland Street	Troon	Ayrshire	KA10 6QN	Freehold
3714	Dan McKays	71 Portland Street	Troon	Ayrshire	KA10 6QU	Freehold
3739	Gables	6-8 Ballieston Road	Glasgow	Lanarkshire	G32 0QQ	Freehold
4365	Monteiths	64-65 Shore Street	Gourock	Renfrewshire	PA19 1RF	Freehold
3855	Smiths	13 Dalblair Road	Ayr	Ayrshire	KA7 1UF	Freehold
3981	Village Inn	5 Stirling Road	Dunblane	Stirling	FK15 9EP	Freehold
3934	Wheatsheaf Inn	3 Main Street	Symington	Ayrshire	KA1 5QB	Freehold
3939	Wintersgills	226 Great Western Road	Glasgow	Lanarkshire	G4 9EJ	Freehold
772	Butchers Hook	477 Fulham Road, Fulham	London	Greater London	SW6 1HL	Freehold
7797	Grafton Arms	72 Grafton Way, Euston	London	Greater London	W1T 5DU	Freehold
1611	Hawley Arms	2 Castlehaven Road, Camden Lock	London	Greater London	NW1 8QU	Freehold
1526	Kings Arms	251 Tooley Street, Bermondsey	London	Greater London	SE1 2JX	Freehold
3059	Kings Head	13 Westmoreland Street, Marylebone	London	Greater London	W1G 8PJ	Leasehold
7863	Miller of Mansfield	96-101 Snowsfields	Bermondsey	Greater London	SE1 3SS	Freehold
4345	Nelson	232 High Road, Wood Green	London	Greater London	N22 8HH	Freehold
1509	Old Eagle	251 Royal College Street, Camden	London	Greater London	NW1 9LU	Freehold
7917	Queens Larder	1 Queen Square	Holborn	Greater London	WC1N 3AR	Freehold
632	St Brides Tavern	1 Bridewell Place, Blackfriars	London	Greater London	EC4V 6AP	Leasehold
3057	Tower Tavern	21 Clipstone Street, Marylebone	London	Greater London	W1W 6BA	Leasehold
6751	Warwick	25 Warwick Way	London	Greater London	SW1V 1QT	Freehold
6038	Albion	45 Fairfield Road	Kingston-Upon-	Surrey	KT1 2PY	Freehold

5381	Bricklayers Arms	53 Hawks Road	Thames Kingston-Upon-Thames	Surrey	KT1 3DS	Freehold
5402	Cricketers	12 Oxenden Road, Tongham	Farnham	Surrey	GU10 1AF	Freehold
5246	Crown & Anchor	Marine Parade	Eastbourne	East Sussex	BN21 3DX	Freehold
1909	Dew Drop	37-39 South Street	Eastbourne	East Sussex	BN21 4UP	Freehold
1491	Fox & Hounds	1 London Road	Croydon	Surrey	CR0 2RE	Freehold
1915	Green Man	The Green, Horsted Keynes	Haywards Heath	West Sussex	RH17 7AS	Freehold
5460	Harrow	142 Charlton Road	Shepperton	Middlesex	TW17 0RJ	Freehold
7816	Hole In The Wall	1 St Martins Street	Chichester	West Sussex	PO19 1NP	Freehold
1917	Hop Poles	13 Middle Street	Brighton	East Sussex	BN1 1AL	Freehold
1918	Junction Tavern	99 Station Road	Polegate	East Sussex	BN26 6EB	Freehold
1920	Lamb	10 Fisher Street	Lewes	East Sussex	BN7 2DG	Freehold
1926	Prince of Wales	Lidsey Road, Woodgate	Chichester	West Sussex	PO20 3ST	Freehold
1495	Royal Standard	180 High Street, Colliers Wood	London	Greater London	SW19 2BN	Freehold
1931	Sussex Yeoman	7 Guildford Road	Brighton	East Sussex	BN1 3LU	Freehold
1463	Roe Deer	50 Croydon Road	Reigate	Surrey	RH2 0NH	Freehold
3526	White Horse	Easebourne Street, Easebourne	Midhurst	West Sussex	GU29 0AL	Freehold
3541	White Lion	40 Linkfield Street	Redhill	Surrey	RH1 6BY	Freehold
5351	Albion Tavern	2 Hale Road	Farnham	Surrey	GU9 9QH	Freehold
8669	Barleycorn Inn	Lower Basingwell Street, Bishops Waltham	Southampton	Hampshire	SO32 1AJ	Freehold
8675	Brewery Bar	10 Winchester Street, Botley	Southampton	Hampshire	SO30 2AA	Freehold
5383	Bucks Head	Bucks Head Hill, Meonstoke	Southampton	Hampshire	SO32 3NA	Freehold
5609	Flying Dutchman	13 Terminus Terrace	Southampton	Hampshire	SO14 3DT	Freehold
8695	Corner House	71 North Walls	Winchester	Hampshire	SO23 8DA	Freehold
8729	DYMK	31 Poole Hill	Bournemouth	Hampshire	BH2 5PW	Freehold
5439	Fox	21 Frensham Road, Lower Bourne	Farnham	Surrey	GU10 3PH	Freehold
8625	Green Man	53 Southgate Street	Winchester	Hampshire	SO23 9EH	Freehold
8687	Half Moon & Spread Eagle	Winchester Road, Micheldever	Winchester	Hampshire	SO21 3DG	Freehold
5456	Hampshire Arms	Pankridge Street, Crondall	Farnham	Surrey	GU10 5QU	Freehold
5458	Hare & Hounds	The Square, Rowledge	Farnham	Surrey	GU10 4AA	Freehold
8716	Mailmans Arms	71 High Street	Lyndhurst	Hampshire	SO43 7BE	Freehold
8661	Mucky Duck	84 Hyde Street	Winchester	Hampshire	SO23 7DW	Freehold

7736	Propaganda	317-321 Fleet Road	Fleet	Hampshire	GU51 3BU	Freehold
5535	Queens Head	London Road, Holybourne	Alton	Hampshire	GU34 4EG	Freehold
8648	Railway	Station Hill, Curdridge	Southampton	Hampshire	SO30 2DN	Freehold
7934	Red Lion	North Street	Wareham	Dorset	BH20 4AB	Freehold
8761	Willow Tree	14 Durngate Terrace	Winchester	Hampshire	SO23 8QX	Freehold
1960	Angel	High Street, Heytesbury	Warminster	Wiltshire	BA12 0ED	Freehold
8601	Angel Inn	95 High Street	Andover	Hampshire	SP10 1ND	Freehold
6409	Bell	Church Street, Charlbury	Chipping Norton	Oxfordshire	OX7 3PP	Freehold
6433	Cott	Cott Lane, Dartington	Totnes	Devon	TQ9 6HE	Freehold
6207	George	High Street, Shirehampton	Bristol	Gloucestershire	BS11 0DP	Freehold
7802	Gupshill Manor	Gloucester Road	Tewkesbury	Gloucestershire	GL20 5SG	Freehold
6465	Heathfield	Walnut Road	Honiton	Devon	EX14 2UG	Freehold
1966	Highwaymans Haunt	Chudleigh	Newton Abbot	Devon	TQ13 0DE	Freehold
6639	Iron Horse	Kerrs Way, Wroughton	Swindon	Wiltshire	SN4 9EJ	Freehold
3213	Kensington Arms	35-36 Stanley Road, Redland	Bristol	Avon	BS6 6NP	Freehold
6473	Kings Arms	49 Bishopston	Montacute	Somerset	TA15 6UU	Freehold
3483	Old Crown	1 Crown Hill	Bath	Somerset	BA1 4BP	Freehold
6489	Old Mill	Town Path	Salisbury	Wiltshire	SP2 8EU	Freehold
6497	Red Lion	Lower High Street	Chipping Campden	Gloucestershire	GL55 6AS	Freehold
2473	Ship	68 High Street	Fordingbridge	Hampshire	SP6 1AX	Freehold
8747	Southampton Arms	Winchester Road	Andover	Hampshire	SP10 2EG	Freehold
5637	White Horse	Newbury Road, Hermitage	Thatcham	Berkshire	RG18 9TB	Freehold
5369	Bell	38 Market Place	Wantage	Oxfordshire	OX12 8AH	Freehold
5230	Black Swan	17 Bath Street	Abingdon	Oxfordshire	OX14 3QH	Freehold
5382	Broad Face	30-32 Bridge Street	Abingdon	Oxfordshire	OX14 3HR	Freehold
5437	Fox	Hyde Road, Denchworth	Wantage	Oxfordshire	OX12 0DX	Freehold
5444	George & Dragon	4 Church Street, Sutton Courtenay	Abingdon	Oxfordshire	OX14 4NJ	Freehold
5633	Hart at Harwell	High Street, Harwell	Didcot	Oxfordshire	OX11 0EH	Freehold
5473	Horse & Jockey	25 Faringdon Road, Stanford-In-The-Vale	Faringdon	Oxfordshire	SN7 8NN	Freehold
8633	Merry Miller	Cothill Road, Dry Sandford	Abingdon	Oxfordshire	OX13 6JW	Freehold
5529	Punch Bowl	Market Place	Abingdon	Oxfordshire	OX14 3HG	Freehold
5533	Queens Arms	2 Manor Road	Didcot	Oxfordshire	OX11 7JY	Freehold
5549	Red Lion	Goring Road, Woodcote	Reading	Berkshire	RG8 0SD	Freehold

5588	Spread Eagle	Northcourt Road	Abingdon	Oxfordshire	OX14 1PL	Freehold
5597	Swan	High Street, East Ilsley	Newbury	Berkshire	RG20 7LF	Freehold
5615	Waggon & Horses	Faringdon Road, Southmoor	Abingdon	Oxfordshire	OX13 5BG	Freehold
5624	Wheatsheaf	Chapel Square, East Hendred	Wantage	Oxfordshire	OX12 8JN	Freehold
5629	Wheelwright Arms	4 The Broadway, Lambourn	Hungerford	Berkshire	RG17 8XY	Freehold
5632	White Hart	Church Street, Hampstead Norreys	Thatcham	Berkshire	RG18 0TB	Freehold
5228	Black Boy	Shinfield Road, Shinfield	Reading	Berkshire	RG2 9BP	Freehold
5233	Boot	Park Road	Bracknell	Berkshire	RG12 2LU	Freehold
5378	Bramshill Hunt	27 Bramshill Close, Arborfield	Reading	Berkshire	RG2 9PL	Freehold
5566	Corner House	22 Sheet Street	Windsor	Berkshire	SL4 1BG	Freehold
1563	Dukes Head	2 Upper Village Road, Sunninghill	Ascot	Berkshire	SL5 7AG	Freehold
4627	Duke of Connaught	165 Arthur Road	Windsor	Berkshire	SL4 1RZ	Freehold
5425	Elephant & Castle	Lodge Road, Whistley Green	Reading	Berkshire	RG10 0EH	Freehold
5428	Fifield Inn	Fifield Road, Fifield	Maidenhead	Berkshire	SL6 2NX	Freehold
5478	Jolly Farmer	Davis Street, Hurst	Reading	Berkshire	RG10 0TH	Freehold
5496	Raglan Pub & Kitchen	30 Denmark Street	Wokingham	Berkshire	RG40 2BB	Freehold
5503	Metropolitan	56 Rose Street	Wokingham	Berkshire	RG40 1XU	Freehold
5375	Mulberry	Station Hill	Farnham	Surrey	GU9 8AD	Freehold
5513	Old Wheatsheaf	205 Frimley Green Road, Frimley Green	Camberley	Surrey	GU16 6LA	Freehold
3524	Percy Arms	75 Dorking Road, Chilworth	Guildford	Surrey	GU4 8NP	Freehold
5285	Royal Albion	642 Oxford Road	Reading	Berkshire	RG30 1EH	Freehold
5576	Running Stream	66 Weybourne Road	Farnham	Surrey	GU9 9HE	Freehold
5583	Shoulder of Mutton	Playhatch	Reading	Berkshire	RG4 9QU	Freehold
5303	Warwick	77-79 Kings Road	Reading	Berkshire	RG1 3DD	Freehold
5310	White Horse	Easthampstead Road	Wokingham	Berkshire	RG40 3AF	Freehold
5222	Argyll	15 Market Place	Henley-On-Thames	Oxfordshire	RG9 2AA	Freehold
6610	Black Swan	11 Crown Street	Oxford	Oxfordshire	OX4 1QG	Freehold
5514	Castle Tavern	24 Paradise Street	Oxford	Oxfordshire	OX1 1LD	Freehold
5391	Chequers	High Street, Prestwood	Great Missenden	Buckinghamshire	HP16 9HD	Freehold
6623	Cricketers Arms	102 Temple Road	Oxford	Oxfordshire	OX4 2EZ	Freehold
4617	Joe Perks & Co	76 St Clements Street	Oxford	Oxfordshire	OX4 1AH	Freehold
6671	Fir Tree	163 Iffley Road	Oxford	Oxfordshire	OX4 1EJ	Freehold
6650	Golden Ball	2 College Lane, Littlemore	Oxford	Oxfordshire	OX4 4LQ	Freehold

5457	Hand & Flowers	West Street	Marlow	Buckinghamshire	SL7 2BP	Freehold
6662	Lamb	2 Mill Lane, Chalgrove	Oxford	Oxfordshire	OX44 7SL	Freehold
5398	Mad Hatter	43 Iffley Road	Oxford	Oxfordshire	OX4 1EA	Freehold
6668	Nags Head	43 Upper High Street	Thame	Oxfordshire	OX9 2DW	Freehold
6672	Old Bookbinders	17-18 Victor Street	Oxford	Oxfordshire	OX2 6BT	Freehold
6494	Palmer Arms	Village Road, Dorney	Windsor	Berkshire	SL4 6QW	Freehold
6680	Plough	37 First Turn	Oxford	Oxfordshire	OX2 8AH	Freehold
6681	Port Mahon	82 St Clements Street	Oxford	Oxfordshire	OX4 1AW	Freehold
6683	Prince of Wales	Horspath Road	Oxford	Oxfordshire	OX4 2QW	Freehold
5548	Red Lion	40-42 Oxford Road, Old Marston	Oxford	Oxfordshire	OX3 0PH	Freehold
5614	Waggon & Horses	112 Pinkneys Road	Maidenhead	Berkshire	SL6 5DN	Freehold
5617	Walnut Tree	Hedsor Road	Bourne End	Buckinghamshire	SL8 5DN	Freehold
4611	Wheatsheaf	Oakley Road	Chinnor	Oxfordshire	OX39 4HX	Freehold
5639	Whiteleaf Cross	Market Square	Princes Risborough	Buckinghamshire	HP27 0AN	Freehold
5356	Anchor	Horton Road, Stanwell Moor	Staines	Middlesex	TW19 6AQ	Freehold
8666	Angel	1 Luton Road, Toddington	Dunstable	Bedfordshire	LU5 6DE	Freehold
5236	Breakspear Arms	Breakspear Road South, Harefield	Uxbridge	Middlesex	UB9 6LT	Freehold
4227	Coach & Horses	22 High Street	Rickmansworth	Hertfordshire	WD3 1ER	Freehold
2923	Cock	48 St Peters Street	St Albans	Hertfordshire	AL1 3NF	Freehold
8690	Elephant & Castle	Amwell Lane, Wheathampstead	St Albans	Hertfordshire	AL4 8EA	Freehold
4191	George II	70 Bute Street	Luton	Bedfordshire	LU1 2EY	Freehold
8702	Goat	Vicarage Causeway, Hertford Heath	Hertford	Hertfordshire	SG13 7RT	Freehold
2710	Golden Cross	Poyle Road, Colnbrook	Slough	Berkshire	SL3 0BN	Freehold
4289	Griffin	2 Station Road, Toddington	Dunstable	Bedfordshire	LU5 6BN	Freehold
2666	King William IV	392 Sipson Road, Sipson	West Drayton	Middlesex	UB7 0HT	Freehold
2626	Kingsfield Arms	111 Bessborough Road	Harrow	Middlesex	HA1 3DF	Freehold
4302	Nascot Arms	11 Stamford Road	Watford	Hertfordshire	WD17 4QS	Freehold
6491	Old Queens Head	Hammersley Lane, Penn	High Wycombe	Buckinghamshire	HP10 8EY	Freehold
8737	Rifle Volunteer	21 Collett Road	Ware	Hertfordshire	SG12 7LY	Freehold
4511	Rose & Crown	Upper Green Road, Tewin	Welwyn	Hertfordshire	AL6 0LE	Freehold
4029	Royal Oak	Bedford Road, Barton-Le-Clay	Bedford	Bedfordshire	MK45 4JX	Freehold
5578	Saracens Head	38 Whielden Street	Amersham	Buckinghamshire	HP7 0HU	Freehold
8749	Steam Coach	86 St Johns Road	Hemel	Hertfordshire	HP1 1NP	Freehold

			Hempstead			
4295	Tap Bar	83 High Street	Ware	Hertfordshire	SG12 9AD	Freehold
8760	White Hart	High Street, Roydon	Harlow	Essex	CM19 5EA	Freehold
4094	White Horse	Rickmansworth Road, Chorleywood	Rickmansworth	Hertfordshire	WD3 5SD	Freehold
4509	White Horse	Wareside	Ware	Hertfordshire	SG12 7QX	Freehold
6613	Boat	Thrupp	Kidlington	Oxfordshire	OX5 1JY	Freehold
5431	Fleece	11 Church Green	Witney	Oxfordshire	OX28 4AZ	Freehold
7770	Fleur De Lys	Lapworth Street, Lowsonford	Henley-In-Arden	Warwickshire	B95 5HJ	Freehold
5466	Holly Bush	35 Corn Street	Witney	Oxfordshire	OX28 6BT	Freehold
6655	Jolly Boatman	216 Banbury Road, Thrupp	Kidlington	Oxfordshire	OX5 1JU	Freehold
6482	Mary Arden Inn	Wilmcote	Stratford-upon-Avon	Warwickshire	CV37 9XJ	Freehold
8639	Old Lion	Pailton Road, Harborough Magna	Rugby	Warwickshire	CV23 0HQ	Freehold
6677	Plough	63 North Street	Bicester	Oxfordshire	OX26 6NB	Freehold
6686	Red Cow	The Green, Chesterton	Bicester	Oxfordshire	OX26 1UU	Freehold
6688	Koi	1-3 Corn Street	Witney	Oxfordshire	OX28 6DB	Freehold
4874	Silver Ghost	Field Drive	Alvaston	Derbyshire	DE24 0HF	Freehold
5599	Swan	Radcot	Bampton	Oxfordshire	OX18 2SX	Freehold
6705	Wine Vaults	5-6 Parsons Street	Banbury	Oxfordshire	OX16 5LW	Freehold
6707	Woodstock Arms	6-8 Market Street	Woodstock	Oxfordshire	OX20 1SX	Freehold
4225	Polhill Arms	25 Wilden Road, Renhold	Bedford	Bedfordshire	MK41 0JP	Freehold
6074	Winning Post	265 High Street	Sutton	Surrey	SM1 1LD	Freehold
1102	Corner House	231 Newmarket Road	Cambridge	Cambridgeshire	CB5 8JE	Freehold
1087	Rose & Crown	48 Whiting Street	Bury St Edmunds	Suffolk	IP33 1NP	Freehold
4144	Three Horseshoes	21 High Street, Harston	Cambridge	Cambridgeshire	CB22 7PX	Freehold
4648	Boythorpe Inn	77 Boythorpe Road	Chesterfield	Derbyshire	S40 2NE	Freehold
4270	Chequers	164 High Street	Stevenage	Hertfordshire	SG1 3LL	Freehold
6054	Eagle & Hind	Gloucester Avenue	Chelmsford	Essex	CM2 9LG	Freehold
5443	Gardeners Arms	48 Surley Row, Emmer Green	Reading	Berkshire	RG4 8NA	Freehold
5258	James Street Tavern	47-48 James Street	Oxford	Oxfordshire	OX4 1EU	Freehold
7842	Lass O Gowrie	36 Charles Street	Manchester	Greater Manchester	M1 7DB	Freehold
7916	Queens Head	38 Bridge Street	Worksop	Nottinghamshire	S80 1JQ	Freehold
1391	Robert Kett	Lime Tree Avenue	Wymondham	Norfolk	NR18 0HH	Freehold
4916	White Hart	29 Gregory Street, Lenton	Nottingham	Nottinghamshire	NG7 2LT	Freehold

1901	Alexandra Arms	453 Seaside	Eastbourne	East Sussex	BN22 7SA	Freehold
1486	Bedford	2 High Street	Tunbridge Wells	Kent	TN1 1UX	Freehold
1934	Black Horse	55 Western Road	Lewes	East Sussex	BN7 1RS	Freehold
1616	Black Horse	65 High Street	Rottingdean	East Sussex	BN2 7HE	Freehold
7817	Hollington Oak	210 Wishingtree Road	St Leonards-on-Sea	East Sussex	TN38 9LB	Freehold
8724	Phoenix	High Street, Twyford	Winchester	Hampshire	SO21 1RF	Freehold
8730	Queen	28 Kingsgate Road	Winchester	Hampshire	SO23 9PG	Freehold
4624	Anchor	73 Western Road	Tring	Hertfordshire	HP23 4BH	Freehold
3888	King Stag	15 Bournehall Road, Bushey	Watford	Hertfordshire	WD23 3EH	Freehold
1562	Millwrights	83 Walton Road	Aylesbury	Buckinghamshire	HP21 7SN	Freehold
5283	Roebuck	37 Auckland Road	Reading	Berkshire	RG6 1NY	Freehold
5572	Royal Oak	19 Station Road	Ascot	Berkshire	SL5 0QL	Freehold
5291	Sebastopol	137 Clewer Hill Road	Windsor	Berkshire	SL4 4DW	Freehold
4027	White Lion	46 High Street	Baldock	Hertfordshire	SG7 6BJ	Freehold
5366	Bell	High Street, Kemsing	Sevenoaks	Kent	TN15 6NB	Freehold
1454	Blue Anchor	Grange Road, Platt	Sevenoaks	Kent	TN15 8ND	Freehold
6424	Chaser	Stumble Hill, Shipbourne	Tonbridge	Kent	TN11 9PE	Freehold
1456	Fleur De Lis	High Street, Leigh	Tonbridge	Kent	TN11 8RL	Freehold
3557	Fox & Hounds	Toys Hill	Westerham	Kent	TN16 1QG	Freehold
1459	Hare	Langton Road, Langton Green	Tunbridge Wells	Kent	TN3 0JA	Freehold
3538	King William IV	87 Hastings Road, Pembury	Tunbridge Wells	Kent	TN2 4JS	Freehold
5497	Lower Bell	201 Chatham Road, Blue Bell Hill	Aylesford	Kent	ME20 7EF	Freehold
8240	Nags Head	Moreton	Ongar	Essex	CM5 0LF	Freehold
8241	Nags Head	50 Heath Road, Ramsden Heath	Billericay	Essex	CM11 1HS	Freehold
8245	Prince of Wales	199 Roman Road, Mountnessing	Brentwood	Essex	CM15 0UG	Freehold
8251	Red Lion	Main Road, Margaretting	Ingatestone	Essex	CM4 0EQ	Freehold
3549	Rifleman	30 Camden Road	Sevenoaks	Kent	TN13 3LZ	Freehold
8254	Ship	18 Broomfield Road	Chelmsford	Essex	CM1 1SW	Freehold
8259	Swan	153 Newland Street	Witham	Essex	CM8 1BE	Freehold
8265	Victoria	Powers Hall End	Witham	Essex	CM8 1LT	Freehold
1466	White Hart	High Street	Wadhurst	East Sussex	TN5 6AP	Freehold
8030	White Hart	Newland Street	Witham	Essex	CM8 2AF	Mixed Tenure
1546	Whitmore Arms	Rectory Road, Orsett	Grays	Essex	RM16 3LB	Freehold
186	Blue Bell	10 High Street, Glinton	Peterborough	Cambridgeshire	PE6 7LS	Freehold

1303	Bushel	Market Street	Newmarket	Suffolk	CB8 8EE	Freehold
1254	Kentford	Bury Road, Kentford	Newmarket	Suffolk	CB8 7PR	Freehold
1189	Crown	Lynn Road, Gayton	Kings Lynn	Norfolk	PE32 1PA	Freehold
4312	Duke of Wellington	55 Church Street, Willingham	Cambridge	Cambridgeshire	CB24 5HS	Freehold
4241	Falcon	New Street	St Neots	Cambridgeshire	PE19 1AE	Freehold
1058	Five Bells	44 High Street, Burwell	Cambridge	Cambridgeshire	CB25 0HD	Freehold
1338	Hare Arms	Lynn Road, Stow Bardolph	Kings Lynn	Norfolk	PE34 3HT	Freehold
4104	Hop Bind	212 High Street, Cottenham	Cambridge	Cambridgeshire	CB24 8RZ	Freehold
4835	Peacock Inn	23 Wragby Road	Lincoln	Lincolnshire	LN2 5SH	Freehold
1183	Red Lodge	Turnpike Road, Red Lodge	Bury St Edmunds	Suffolk	IP28 8LB	Freehold
2476	Three Kings	6 Station Road, Haddenham	Ely	Cambridgeshire	CB6 3XD	Freehold
4120	Three Tuns	High Street, Fen Drayton	Cambridge	Cambridgeshire	CB24 4SJ	Freehold
8012	Waggon & Horses	34-36 High Street	Newmarket	Suffolk	CB8 8LB	Freehold
1376	White Horse	12 Greenside, Waterbeach	Cambridge	Cambridgeshire	CB25 9HP	Freehold
4263	Windmill	St Ives Road, Somersham	Huntingdon	Cambridgeshire	PE28 3ET	Mixed Tenure
8665	Anchor	Dunstable Road, Tilsworth	Leighton Buzzard	Bedfordshire	LU7 9PU	Freehold
4238	Barley Mow	27 Crosshall Road, Eaton Ford	St Neots	Cambridgeshire	PE19 7AB	Freehold
4248	Bell	1 Station Road	Sandy	Bedfordshire	SG19 1AW	Freehold
8685	Crooked Billet	2 West Brook End, Newton Longville	Milton Keynes	Buckinghamshire	MK17 0DF	Freehold
4206	Crown	2 Ickwell Road, Northill	Biggleswade	Bedfordshire	SG18 9AA	Freehold
4320	Fox & Duck	13 Bedford Road, Wootton	Bedford	Bedfordshire	MK43 9JT	Freehold
6451	French Horn	Church End, Steppingley	Bedford	Bedfordshire	MK45 5AU	Freehold
4116	Old Sun	161 Great North Road, Eaton Socon	St Neots	Cambridgeshire	PE19 8EQ	Freehold
4003	Ossory Arms	9 Arthur Street, Ampthill	Bedford	Bedfordshire	MK45 2QQ	Freehold
8735	Red Lion	South End, Milton Bryan	Milton Keynes	Buckinghamshire	MK17 9HS	Freehold
4107	Swan	2 Court Road, Cranfield	Bedford	Bedfordshire	MK43 0DR	Freehold
4063	Three Tuns	57 Main Road, Biddenham	Bedford	Bedfordshire	MK40 4BD	Freehold
4315	Woolpack	Bedford Road, Wilstead	Bedford	Bedfordshire	MK45 3HW	Freehold
4154	Anchor	84 Cambridge Road, Walsworth	Hitchin	Hertfordshire	SG4 0JH	Freehold
4127	Bird in Hand	High Street, Gosmore	Hitchin	Hertfordshire	SG4 7QG	Freehold
4015	Boot	73 High Street	Baldock	Hertfordshire	SG7 6BP	Freehold
4282	Chequers	33 Queen Street, Stotfold	Hitchin	Hertfordshire	SG5 4NX	Freehold

4017	Cock	43 High Street	Baldock	Hertfordshire	SG7 6BG	Freehold
4122	Cock	25 Church Street, Gamlingay	Sandy	Bedfordshire	SG19 3JH	Freehold
4131	George & Dragon	19 High Street, Graveley	Hitchin	Hertfordshire	SG4 7LE	Freehold
4257	Green Man	Dunsbridge Turnpike, Shepreth	Royston	Hertfordshire	SG8 6RA	Freehold
4327	Hermit of Redcoats	Redcoats Green, Little Wymondley	Hitchin	Hertfordshire	SG4 7JR	Freehold
4033	Hoops	74 High Street, Bassingbourn	Royston	Hertfordshire	SG8 5LF	Freehold
4010	Rose & Crown	69 High Street, Ashwell	Baldock	Hertfordshire	SG7 5NP	Freehold
4222	Royal Oak	4 Biggleswade Road, Potton	Sandy	Bedfordshire	SG19 2LU	Freehold
4265	Star	62 High Street, Standon	Ware	Hertfordshire	SG11 1LB	Freehold
4310	Three Horseshoes	Willian	Letchworth Garden City	Hertfordshire	SG6 2AE	Freehold
4513	Three Tuns	36 London Road	Bishops Stortford	Hertfordshire	CM23 5NF	Freehold
4009	White Horse	High Street	Arlesey	Bedfordshire	SG15 6TA	Freehold
1252	Barnardiston Arms	Kings Hill, Kedington	Haverhill	Suffolk	CB9 7NA	Freehold
1007	Bell	2 West Wickham Road, Balsham	Cambridge	Cambridgeshire	CB21 4DZ	Freehold
1099	Brook	25 Brookfields, Mill Road	Cambridge	Cambridgeshire	CB1 3NW	Freehold
3001	Castle	37 St Andrews Street	Cambridge	Cambridgeshire	CB2 3AR	Leasehold
3030	Champion of the Thames	68 King Street	Cambridge	Cambridgeshire	CB1 1LN	Leasehold
1101	Clarendon Arms	35-37 Clarendon Street	Cambridge	Cambridgeshire	CB1 1JX	Freehold
1268	Dog & Duck	63 High Street, Linton	Cambridge	Cambridgeshire	CB21 4HS	Freehold
1105	Earl of Derby	129 Hills Road	Cambridge	Cambridgeshire	CB2 1PG	Freehold
1123	Free Press	7 Prospect Row	Cambridge	Cambridgeshire	CB1 1DU	Freehold
1108	Grapes	19 Histon Road	Cambridge	Cambridgeshire	CB4 3JB	Freehold
4031	Hoops	1 School Lane, Barton	Cambridge	Cambridgeshire	CB23 7BD	Freehold
4522	Ickleton Lion	9 Abbey Street, Ickleton	Saffron Walden	Essex	CB10 1SS	Freehold
4254	Kings Head	19 High Street, Sawston	Cambridge	Cambridgeshire	CB22 3BG	Freehold
6492	Old Red Lion	Linton Road	Horseheath	Cambridgeshire	CB21 4QF	Freehold
4133	Plough	High Street, Great Chesterford	Saffron Walden	Essex	CB10 1PL	Freehold
1757	Red Lion	20 Mill End Road	Cherry Hinton	Cambridgeshire	CB1 9JP	Freehold
1225	Royal Exchange	69-71 High Street	Haverhill	Suffolk	CB9 8AH	Freehold
4137	Square & Compasses	46 High Street, Great Shelford	Cambridge	Cambridgeshire	CB22 5EH	Freehold
1187	White Hart	1 Balsham Road, Fulbourn	Cambridge	Cambridgeshire	CB21 5BZ	Freehold
1125	White Swan	107-109 Mill Road	Cambridge	Cambridgeshire	CB1 2AZ	Freehold
1228	Woolpack	50 Queen Street	Haverhill	Suffolk	CB9 9EF	Freehold

1155	Alma	Copford Green, Copford	Colchester	Essex	CO6 1BZ	Freehold
4512	Axe & Compasses	Arkesden	Saffron Walden	Essex	CB11 4EX	Freehold
8207	Bell	Kynaston Road, Panfield	Braintree	Essex	CM7 5AQ	Freehold
6407	Bell Hotel	Market Hill, Clare	Sudbury	Suffolk	CO10 8NN	Freehold
1163	Castle	77 High Street, Earls Colne	Colchester	Essex	CO6 2QX	Freehold
1179	Cricketers	Spring Lane, Fordham Heath	Colchester	Essex	CO3 9TG	Freehold
6438	Crown	Market Hill, Framlingham	Woodbridge	Suffolk	IP13 9AP	Freehold
4508	Dog & Duck	58 Lower Street	Stansted	Essex	CM24 8LR	Freehold
8224	Dolphin	Coggeshall Road, Stisted, Bradwell	Braintree	Essex	CM77 8EU	Freehold
1209	George	52 High Street, Hadleigh	Ipswich	Suffolk	IP7 5AL	Freehold
3502	Horse & Groom	20 Rayne Road	Braintree	Essex	CM7 2QA	Freehold
1214	Royal Oak	58 High Street	Halstead	Essex	CO9 2JG	Freehold
8258	Swan	Station Road, Felsted	Dunmow	Essex	CM6 3DG	Freehold
1282	Swan	Hall Street, Long Melford	Sudbury	Suffolk	CO10 9JQ	Freehold
4505	White Horse	The Heath, Hatfield Heath	Bishops Stortford	Essex	CM22 7EB	Freehold
1362	White Horse	North Street	Sudbury	Suffolk	CO10 1RF	Freehold
1444	Anchor	19 Quay Street	Woodbridge	Suffolk	IP12 1BX	Freehold
1147	Artilleryman	54-56 Artillery Street	Colchester	Essex	CO1 2JQ	Freehold
1420	Bird Cage	23 Pottergate	Norwich	Norfolk	NR2 1DS	Freehold
1059	Black Boy	69 Guildhall Street	Bury St Edmunds	Suffolk	IP33 1QD	Freehold
1421	Coach & Horses	51 Bethel Street	Norwich	Norfolk	NR2 1NR	Freehold
1066	Dove	68 Hospital Road	Bury St Edmunds	Suffolk	IP33 3JU	Freehold
1184	Essex Skipper	Rochford Way	Frinton On Sea	Essex	CO13 0AZ	Freehold
1074	Greyhound	28 Eastgate Street	Bury St Edmunds	Suffolk	IP33 1YQ	Freehold
1079	Masons Arms	14 Whiting Street	Bury St Edmunds	Suffolk	IP33 1NX	Freehold
1082	Nutshell	17 The Traverse	Bury St Edmunds	Suffolk	IP33 1BJ	Freehold
1250	Pykkerell	38 High Street, Ixworth	Bury St Edmunds	Suffolk	IP31 2HH	Freehold
1309	Shepherd & Dog	Lower Road, Onehouse	Stowmarket	Suffolk	IP14 3BX	Freehold
1241	Six Bells	The Street, Horringer	Bury St Edmunds	Suffolk	IP29 5SJ	Freehold
1426	Ten Bells	74-78 St Benedicts Street	Norwich	Norfolk	NR2 4AR	Freehold
1181	Woolpack	The Street, Fornham St Martin	Bury St Edmunds	Suffolk	IP31 1SW	Freehold
1049	Yachtsmans Arms	35 Waterside, Brightlingsea	Colchester	Essex	CO7 0AZ	Freehold

Freehold	376
Leasehold	6

Mixed Tenure	3
Total	385

Portfolio B

Cost Centre	Property	Street	Town	County	Postcode	Tenure
3647	Abercromby Arms	14-16 Stirling Road	Tullibody	Clackmannanshire	FK10 2QE	Freehold
1289	Acre	9 Acre Road	March	Cambridgeshire	PE15 9JD	Freehold
433	Alexander	139 Oatlands Drive	Weybridge	Surrey	KT13 9LA	Freehold
1096	Alexandra Arms	22 Gwydir Street	Cambridge	Cambridgeshire	CB1 2LL	Freehold
8201	Alma	26 Russell Court	Cambridge	Cambridgeshire	CB2 1HW	Mixed Tenure
6402	Anchor	Exebridge	Dulverton	Somerset	TA22 9AZ	Freehold
8202	Anchor	Runsell Green, Danbury	Chelmsford	Essex	CM3 4QZ	Freehold
1056	Anchor	63 North Street, Burwell	Cambridge	Cambridgeshire	CB25 0BA	Freehold
4629	Angel Inn	Bawtry Road, Blyth	Worksop	Nottinghamshire	S81 8HG	Freehold
7616	Antelope	87 Maple Road	Surbiton	Surrey	KT6 4AW	Freehold
5554	Arbour	Furze Platt Road	Maidenhead	Berkshire	SL6 6PR	Freehold
1401	Ash	Burton End	Stansted	Essex	CM24 8UQ	Freehold
3655	Auld Brig Tavern	45 Eskside West	Musselburgh	Midlothian	EH21 6RB	Freehold
3997	Auld Hoose	19 Forth Street	North Berwick	East Lothian	EH39 4HX	Freehold
4153	Barley Mow	7 High Street, Histon	Cambridge	Cambridgeshire	CB24 9JD	Freehold
3660	Barleycorn	1 Low Waters Road	Hamilton	Lanarkshire	ML3 7LG	Freehold
6604	Bear & Ragged Staff	28 Appleton Road, Cumnor	Oxford	Oxfordshire	OX2 9QH	Freehold
6605	Beehive	55 Prospect Hill	Swindon	Wiltshire	SN1 3JS	Freehold
8606	Bell	83 St Cross Road	Winchester	Hampshire	SO23 9RE	Mixed Tenure
5365	Bell	21 Standlake Road, Ducklington	Witney	Oxfordshire	OX29 7UP	Freehold
3542	Bell	21 Bell Street	Reigate	Surrey	RH2 7AD	Freehold
7631	Bell	Ware Street, Bearsted	Maidstone	Kent	ME14 4PA	Freehold
4209	Bell	Horsefair Lane, Odell	Bedford	Bedfordshire	MK43 7AU	Freehold
5371	Bird in Hand	High Street, Little Sandhurst	Sandhurst	Berkshire	GU47 8LQ	Freehold
4620	Bird in Hand	47 Station Road	Princes Risborough	Buckinghamshire	HP27 9DE	Freehold

4148	Bird in Hand	Bedford Road, Lower Stondon	Henlow	Bedfordshire	SG16 6DZ	Freehold
1352	Black Boy	Market Hill	Sudbury	Suffolk	CO10 2EA	Freehold
8209	Black Bull	Main Road, Margaretting	Ingatestone	Essex	CM4 9JA	Freehold
8672	Black Dog	Winchester Road, Waltham Chase	Southampton	Hampshire	SO32 2LX	Freehold
5373	Black Horse	, Gozzards Ford	Abingdon	Oxfordshire	OX13 6JH	Freehold
2792	Black Horse	Windmill Road, Fulmer	Slough	Buckinghamshire	SL3 6HD	Freehold
6413	Black Horse	1 Bedford Street	Woburn	Bedfordshire	MK17 9QB	Freehold
4642	Blacks Head	1 Market Place, Wirksworth	Matlock	Derbyshire	DE4 4ET	Freehold
3670	Blakelys	1 Broompark Road	Blantyre	Lanarkshire	G72 0DP	Freehold
3671	Blane Valley Inn	54 Glasgow Road	Blanefield	Lanarkshire	G63 9BP	Freehold
7506	Blenheim Arms	7 Manor Green Road	Epsom	Surrey	KT19 8RA	Freehold
5231	Blue Boar	4 Newbury Street	Wantage	Oxfordshire	OX12 8BS	Freehold
6032	Blue Lion	133 Grays Inn Road, St Pancras	London	Greater London	WC1X 8TU	Freehold
4139	Blue Lion	74 Main Street, Hardwick	Cambridge	Cambridgeshire	CB23 7QU	Freehold
153	Blue Pig	Hall Road, Wolvey	Hinkley	Leicestershire	LE10 3LG	Freehold
4231	Boars Head	35 Market Hill	Royston	Hertfordshire	SG8 9JU	Freehold
7958	Bohemian Bar & Kitchen	1-6 Salisbury House, Alcester Road, Moseley	Birmingham	West Midlands	B13 8JE	Freehold
6614	Bottle & Glass	Gibraltar	Aylesbury	Buckinghamshire	HP17 8TY	Freehold
3676	Braided Fig	39 Summer Street	Aberdeen	Aberdeenshire	AB10 1SB	Freehold
7648	Brewery Tap	22 Park Street West	Luton	Bedfordshire	LU1 3ET	Freehold
3533	Bricklayers Arms	Wool Lane	Midhurst	West Sussex	GU29 9BX	Freehold
3678	Bridge Bar	12 Bridge Street	Ellon	Aberdeenshire	AB41 9AA	Freehold
4655	Broadway	263-265 Abbey Lane	Leicester	Leicestershire	LE4 5QH	Freehold
4656	Bromley Arms	Main Street, Fiskerton	Southwell	Nottinghamshire	NG25 0UL	Freehold
7901	Brown Cow	62 Town Street, Horsforth	Leeds	West Yorkshire	LS18 4AP	Freehold
7658	Brunswick	71 Nantwich Road	Crewe	Cheshire	CW2 6AW	Freehold
4203	Builders Arms	3 Albert Road, New Barnet	Barnet	Hertfordshire	EN4 9SH	Mixed Tenure
6616	Bull	Bicester Road, Launton	Bicester	Oxfordshire	OX26 5DQ	Freehold
5114	Bull	Cottered	Buntingford	Hertfordshire	SG9 9QP	Mixed Tenure
4659	Bulls Head	Little Hallam Hill	Ilkeston	Derbyshire	DE7 4LY	Freehold
4240	Bulls Head	96 Cambridge Street	St Neots	Cambridgeshire	PE19 1PJ	Freehold
1196	Bunbury Arms	Ixworth Road, Great Barton	Bury St Edmunds	Suffolk	IP31 2NX	Freehold
3683	Burnett Arms	Bridge Road	Kemnay	Aberdeenshire	AB51 5QT	Freehold
3771	Burns	56-58 Main Street	Prestwick	Ayrshire	KA9 1NX	Freehold

1245	Cadogan Arms	The Street, Ingham	Bury St Edmunds	Suffolk	IP31 1NG	Freehold
3971	Caledonian Bar	35 James Square	Crieff	Perth and Kinross	PH7 3EY	Freehold
7666	Canterbury	Ashchurch Road	Tewkesbury	Gloucestershire	GL20 8BT	Freehold
4663	Carnarvon Arms	Fackley Road, Teversal	Sutton in Ashfield	Nottinghamshire	NG17 3JA	Freehold
3692	Castle	4 Bellshill Road	Uddingston	Lanarkshire	G71 7HE	Freehold
6472	Chapter House	9-13 St Johns Street	Salisbury	Wiltshire	SP1 2SB	Freehold
4286	Chequers	171 Sharpenhoe Road, Streatley	Luton	Bedfordshire	LU3 3PS	Freehold
5390	Chequers	17 Station Road, Brize Norton	Carterton	Oxfordshire	OX18 3PR	Freehold
5392	Cherry Tree	Cherry Tree Road, Rowledge	Farnham	Surrey	GU10 4AB	Freehold
1328	Cherry Tree	66 Fordham Road, Soham	Ely	Cambridgeshire	CB7 5AH	Freehold
3976	Clachnaharry Inn	17-19 High Street	Clachnaharry	Inverness-Shire	IV3 8RB	Freehold
4364	Claymore Bar	12 High Street	Grantown-on-Spey	Moray	PH26 3HB	Freehold
3530	Cock	Ide Hill	Sevenoaks	Kent	TN14 6JN	Freehold
4519	Cock	30 Silver Street	Stansted	Essex	CM24 8HD	Freehold
7686	Cock Horse	39 The Street, Detling	Maidstone	Kent	ME14 3JT	Freehold
4334	Compton Arms	Compton Avenue, Islington	London	Greater London	N1 2XD	Freehold
5598	Compton Swan	High Street, Compton	Newbury	Berkshire	RG20 6NJ	Freehold
8684	Cricketers	Curdridge Lane, Curdridge	Southampton	Hampshire	SO32 2BH	Freehold
1103	Cricketer's	18 Melbourne Place	Cambridge	Cambridgeshire	CB1 1EQ	Freehold
4271	Crooked Billet	Symonds Green	Stevenage	Hertfordshire	SG1 2HP	Freehold
5405	Cross Keys	Church Road, Pangbourne	Reading	Berkshire	RG8 7AR	Freehold
2950	Crosshill Hotel	1-2 The Square, Sedgefield	Stockton-on-Tees	Durham	TS21 2AB	Freehold
5409	Crown	52 High Street, Benson	Wallingford	Oxfordshire	OX10 6RP	Freehold
5411	Crown	96 High Street, Chalgrove	Oxford	Oxfordshire	OX44 7SS	Freehold
5410	Crown	Burchetts Green Road, Burchetts Green	Maidenhead	Berkshire	SL6 6QZ	Freehold
1394	Crown	Main Road, Wormingford	Colchester	Essex	CO6 3AB	Freehold
4601	Crown	40 Market Street	Harlow	Essex	CM17 0AQ	Freehold
3505	Crown	High Street, Acton	Sudbury	Suffolk	CO10 0AT	Freehold
1217	Crown	The Green, Hartest	Bury St Edmunds	Suffolk	IP29 4DH	Freehold
1284	Crown	51-53 High Street, Manningtree	Colchester	Essex	CO11 1AH	Freehold
8614	Crown & Anchor	168 High Street	Winchester	Hampshire	SO23 9BA	Freehold
1308	Dog	Ixworth Road, Norton	Bury St Edmunds	Suffolk	IP31 3LP	Freehold
1981	Dog & Partridge Inn	Uttoxeter Road, Tean	Stoke-on-Trent	Staffordshire	ST10 4LN	Freehold
5419	Dolphin	2 St Marys Street	Wallingford	Oxfordshire	OX10 0EL	Freehold

3716	Dreghorn Inn	39 Main Street	Dreghorn	Ayrshire	KA11 4AQ	Freehold
2472	Drum	Stone Street, Stanford	Ashford	Kent	TN25 6DN	Freehold
4693	Duke of Sussex	Alfreton Road	Sutton in Ashfield	Nottinghamshire	NG17 1JN	Freehold
4694	Duke of Wellington	115 Wellington Street	Matlock	Derbyshire	DE4 3GX	Freehold
1506	Duke of York	47 Rathbone Street, Bloomsbury	London	Greater London	W1T 1NW	Freehold
4299	Duncombe Arms	Eltisley Road, Waresley	Sandy	Bedfordshire	SG19 3BS	Freehold
1913	Eagle Bar & Bakery	125 Gloucester Road	Brighton	East Sussex	BN1 4AF	Freehold
3722	Eagle Coaching Inn	155-159 King Street, Broughty Ferry	Dundee	Angus	DD5 2AX	Freehold
1537	Eight Bells	78 Kingston Road, Ewell	Epsom	Surrey	KT17 2DU	Freehold
7724	Elm Tree	Hightown	Ringwood	Hampshire	BH24 3DY	Freehold
5602	Emmbrook Inn	Emmbrook Road	Wokingham	Berkshire	RG41 1HG	Freehold
4018	Engine	3 Station Road	Baldock	Hertfordshire	SG7 5BS	Freehold
4002	Engine & Tender	3 Dunstable Street, Ampthill	Bedford	Bedfordshire	MK45 2NJ	Freehold
8227	Falcon	45 Marine Parade	Southend-On-Sea	Essex	SS1 2EN	Freehold
1912	Farm Tavern	13 Farm Road	Hove	East Sussex	BN3 1FB	Freehold
4697	Farmyard Inn	Main Street, Youlgrave	Bakewell	Derbyshire	DE45 1UW	Freehold
6636	Fishes	North Hinksey Village	Oxford	Oxfordshire	OX2 0NA	Freehold
7754	Five Bells	68-70 Streatham High Road	Streatham	Greater London	SW16 1DA	Freehold
2625	Five Bells	Stanwell Road, Horton	Slough	Buckinghamshire	SL3 9PA	Freehold
1233	Five Bells	The Street, Hessett	Bury St Edmunds	Suffolk	IP30 9AX	Freehold
4149	Five Bells	101 High Street	Henlow	Bedfordshire	SG16 6AE	Freehold
1457	Five Pointed Star	100 High Street	West Malling	Kent	ME19 6NE	Freehold
5432	Fleur De Lys	30 Main Road, East Hagbourne	Didcot	Oxfordshire	OX11 9LN	Freehold
5434	Flowing Well	Sunningwell	Abingdon	Oxfordshire	OX13 6RB	Freehold
8014	Flynn’s Bar and Diner	128 The Broadway	Ealing	Greater London	W13 0SY	Freehold
4701	Foresters Arms	Main Street, Newthorpe	Nottingham	Nottinghamshire	NG16 2DN	Freehold
8694	Foresters Arms	2 London Street	Andover	Hampshire	SP10 2PA	Freehold
6921	Forge	The Pantiles	Billericay	Essex	CM12 0UA	Freehold
3730	Forge Inn	37 Whifflet Street	Coatbridge	Lanarkshire	ML5 4EN	Freehold
6448	Four Horseshoes	Wickham Road, Thornham Magna	Eye	Suffolk	IP23 8HD	Freehold
5438	Fox	141 Chapel Lane	Farnborough	Hampshire	GU14 9BN	Freehold
1168	Fox	Station Road, Elmswell	Bury St Edmunds	Suffolk	IP30 9HD	Freehold
4087	Fox & Duck	23 Church Street	Buntingford	Hertfordshire	SG9 9AS	Freehold
6449	Fox & Duck	Therfield	Royston	Hertfordshire	SG8 9PN	Freehold
1512	Fox & Pheasant	1 Billing Road, Chelsea	London	Greater London	SW10 9UJ	Freehold

1863	Freelands Tavern	31 Freelands Road	Bromley	Kent	BR1 3HZ	Freehold
4705	French Horn	Market Place, Nottingham Road, Codnor	Ripley	Derbyshire	DE5 9SY	Freehold
5442	Frog & Rhubarb	30 Church Road, Slip End	Luton	Bedfordshire	LU1 4BJ	Freehold
8700	Fulflood Arms	28 Cheriton Road	Winchester	Hampshire	SO22 5EF	Freehold
3702	Fullartons	10 Portland Street	Troon	Ayrshire	KA10 6EA	Freehold
6646	Gardeners Arms	8 North Parade Avenue	Oxford	Oxfordshire	OX2 6LX	Freehold
3559	General Wolfe	High Street	Westerham	Kent	TN16 1RQ	Freehold
2477	George	High Street, Alfriston	Polegate	East Sussex	BN26 5SY	Freehold
6456	George	Market Place	Castle Cary	Somerset	BA7 7AH	Freehold
7780	George	14 Bridge Street	Fordingbridge	Hampshire	SP6 1AH	Freehold
4012	George	High Street, Babraham	Cambridge	Cambridgeshire	CB22 3AG	Freehold
4303	George & Dragon	82 High Street, Watton-At-Stone	Hertford	Hertfordshire	SG14 3TA	Freehold
4114	George & Dragon	267 Great North Road, Eaton Socon	St Neots	Cambridgeshire	PE19 8BL	Freehold
4337	George & Dragon	2 King Street, Potton	Sandy	Bedfordshire	SG19 2QT	Freehold
1279	George & Dragon	Hall Street, Long Melford	Sudbury	Suffolk	CO10 9JA	Freehold
7788	Gillespies	Topping Street	Blackpool	Lancashire	FY1 3AA	Freehold
3745	Girdwoods	180 Hill Street	Wishaw	Lanarkshire	ML2 7AS	Freehold
3508	Goat & Boot	70 East Hill	Colchester	Essex	CO1 2QW	Freehold
8623	Golden Farmer	Reeds Hill	Bracknell	Berkshire	RG12 7LS	Leasehold
2953	Golden Lion	69-70 Allhallowgate	Ripon	North Yorkshire	HG4 1LE	Freehold
4097	Golden Lion	22 Church Street, Clifton	Shefford	Bedfordshire	SG17 5ES	Freehold
6459	Golden Pheasant	91 High Street	Burford	Oxfordshire	OX18 4QA	Freehold
1418	Golden Star	57 Colegate	Norwich	Norfolk	NR3 1DD	Freehold
6651	Goldfinger Tavern	Newburgh Place, Highworth	Swindon	Wiltshire	SN6 7DN	Freehold
4719	Greasley Castle	Castle Street, Eastwood	Nottingham	Nottinghamshire	NG16 3GW	Freehold
1617	Green Man	Lewes Road	Ringmer	East Sussex	BN8 5NA	Freehold
8232	Green Man	Green Man Lane, Little Braxted	Witham	Essex	CM8 3LB	Freehold
5452	Grenfell Arms	22 Oldfield Road	Maidenhead	Berkshire	SL6 1TW	Freehold
4147	Greyhound	68 Northwood End Road, Haynes	Bedford	Bedfordshire	MK45 3QD	Freehold
1249	Greyhound	49 High Street, Ixworth	Bury St Edmunds	Suffolk	IP31 2HJ	Freehold
1263	Greyhound	97 High Street, Lavenham	Sudbury	Suffolk	CO10 9PZ	Freehold
4724	Grouse Inn	Dale Road North, Darley Dale	Matlock	Derbyshire	DE4 2FT	Freehold
3753	Gryffe Inn	1-3 Main Street	Bridge of Weir	Renfrewshire	PA11 3NR	Freehold
3754	Half a Tanner	3 St Johns Place	Perth	Perth and Kinross	PH1 5SZ	Freehold

4618	Half Moon	17 St Clements Street	Oxford	Oxfordshire	OX4 1AB	Freehold
76	Halley's Comet	101 Bradwell Road, Bradville	Milton Keynes	Buckinghamshire	MK13 7AW	Freehold
1280	Hare	High Street, Long Melford	Sudbury	Suffolk	CO10 9DF	Freehold
5462	Hatch Gate	The Hatch, Burghfield	Reading	Berkshire	RG30 3TH	Freehold
3763	Hollytree Hotel	Main Street East	Menstrie	Clackmannanshire	FK11 7BJ	Freehold
1523	Horse & Groom	28 Curtain Road, Shoreditch	London	Greater London	EC2A 3NZ	Freehold
4095	Horse & Groom	15 High Street, Clapham	Bedford	Bedfordshire	MK41 6EQ	Freehold
3768	Islay Inn	1260 Argyle Street	Glasgow	Lanarkshire	G3 8TJ	Freehold
3770	Jack Daniels	Glencairn Street	Motherwell	Lanarkshire	ML1 1TT	Freehold
4112	John Barleycorn	3 Moorfield Road, Duxford	Cambridge	Cambridgeshire	CB22 4PP	Freehold
8627	Jolly Miller	96 Miller Drive	Fareham	Hampshire	PO16 7LN	Freehold
6656	Jolly Postboys	22 Florence Park Road	Oxford	Oxfordshire	OX4 3PH	Freehold
5479	Jolly Sailor	64 West Street	Farnham	Surrey	GU9 7EH	Freehold
4743	Jug & Glass Inn	Queens Walk, Nether Langwith	Mansfield	Nottinghamshire	NG20 9EW	Freehold
8629	Junction Inn	Priory Road	Southampton	Hampshire	SO17 2JZ	Freehold
5481	Kestrel	Buckingham Parade	Basingstoke	Hampshire	RG22 5NZ	Leasehold
8234	Kicking Dickey	Ongar Road	Dunmow	Essex	CM6 1ES	Freehold
6658	King & Queen	57 High Street, Wheatley	Oxford	Oxfordshire	OX33 1XT	Freehold
8709	King Alfred	11 Saxon Road	Winchester	Hampshire	SO23 7DJ	Freehold
5483	King Charles Tavern	54 Cheap Street	Newbury	Berkshire	RG14 5BX	Freehold
7833	King William IV	82 London Road, Shenley	Radlett	Hertfordshire	WD7 9DX	Freehold
1450	King William IV	High Street, Fenstanton	Huntingdon	Cambridgeshire	PE28 9JF	Freehold
6470	Kings Arms	The Square	Stow-On-The-Wold	Gloucestershire	GL54 1AF	Freehold
5484	Kings Arms	39 Wallingford Street	Wantage	Oxfordshire	OX12 8AU	Freehold
4052	Kings Arms	24 St Marys Street	Bedford	Bedfordshire	MK42 0AS	Freehold
1218	Kings Arms	3 Old Street, Haughley	Stowmarket	Suffolk	IP14 3NT	Freehold
1200	Kings Head	115 Bures Road, Great Cornard	Sudbury	Suffolk	CO10 0JE	Freehold
3776	Kirkton Inn	10 Kirkton Street	Carluke	Lanarkshire	ML8 4AB	Freehold
6661	Kite	68-69 Mill Street	Oxford	Oxfordshire	OX2 0AL	Freehold
6477	Lamb	High Street, Shipton-Under-Wychwood	Chipping Norton	Oxfordshire	OX7 6DQ	Freehold
6663	Lamb & Flag	Faringdon Road, Longworth	Abingdon	Oxfordshire	OX13 5HN	Freehold
1921	Laughing Fish	Station Road, Isfield	Uckfield	East Sussex	TN22 5XB	Freehold
3780	Linden Inn	40 Colquhoun Street	Stirling	Stirling	FK7 7PX	Freehold
8238	Lion & Lamb	Stortford Road, Little Canfield	Dunmow	Essex	CM6 1SR	Freehold

6479	Little Brown Jug	Chiddingstone Causeway	Tonbridge	Kent	TN11 8JJ	Freehold
6666	Lord Kitchener	Lew Road, Curbridge	Witney	Oxfordshire	OX29 7PD	Freehold
6014	Lord Palmerston	197 Philip Lane, Tottenham	London	Greater London	N15 4HQ	Freehold
1297	Maids Head	9 Kingsway, Mildenhall	Bury St Edmunds	Suffolk	IP28 7HN	Freehold
1356	Maldon Grey	Cats Lane	Sudbury	Suffolk	CO10 2RZ	Freehold
4368	Mallard	Station Square	Dingwall	Highlands	IV15 9JD	Freehold
4338	Maltsters Arms	2 London Road, Abridge	Romford	Essex	RM4 1UX	Freehold
4272	Marquis of Lorne	132 High Street	Stevenage	Hertfordshire	SG1 3DB	Freehold
1519	Mayflower	117 Rotherhithe Street, Rotherhithe	London	Greater London	SE16 4NF	Freehold
3532	Mayford Arms	Guildford Road, Mayford	Woking	Surrey	GU22 9QT	Freehold
3330	Maypole	26A High Street, Hanham	Bristol	Gloucestershire	BS15 3DP	Freehold
5502	Mermaid	78 High Street	Burford	Oxfordshire	OX18 4QF	Freehold
5622	Mikado	London Road	Ascot	Berkshire	SL5 7DL	Freehold
5505	Milton’s Head	20 Deanway	Chalfont St Giles	Buckinghamshire	HP8 4JL	Freehold
8634	Moon & Sixpence	15 The Beach	Clevedon	Avon	BS21 7QU	Freehold
5507	Morning Star	98 Papist Way, Cholsey	Wallingford	Oxfordshire	OX10 9QL	Freehold
3983	Muirs Inn	49 Muirs	Kinross	Kinross-Shire	KY13 8AU	Freehold
4506	Nags Head	The Ford, Little Hadham	Ware	Hertfordshire	SG11 2AX	Freehold
8636	Navigation	Thrupp Wharf, Cosgrove	Milton Keynes	Northamptonshire	MK19 7BE	Freehold
4237	Nelsons Head	7 Merryland	St Ives	Cambridgeshire	PE27 5ED	Freehold
1923	New Inn	German Street	Winchelsea	East Sussex	TN36 4EN	Freehold
4070	New Inn	16A Market Square	Biggleswade	Bedfordshire	SG18 8AS	Freehold
4324	New Inn	1 Rushden Road, Wymington	Rushden	Northamptonshire	NN10 9LN	Freehold
1306	New Wellington	81 Cheveley Road	Newmarket	Suffolk	CB8 8AD	Freehold
3531	Noahs Ark	Lurgashall	Petworth	West Sussex	GU28 9ET	Freehold
1150	Norfolk	132-134 North Station Road	Colchester	Essex	CO1 1UZ	Freehold
3901	Nu Bar	153 High Road	Loughton	Essex	IG10 4LF	Leasehold
6619	O’Donoghues	15 Spittal Street	Marlow	Buckinghamshire	SL7 3HJ	Freehold
6486	Old Beams Inn	Ibsley	Ringwood	Hampshire	BH24 3PP	Freehold
4791	Old Black Horse	Main Street, Mapperley	Ilkeston	Derbyshire	DE7 6BY	Freehold
6487	Old Bull	56 High Street	Royston	Hertfordshire	SG8 9AW	Freehold
4126	Old Crown	89 High Street, Girton	Cambridge	Cambridgeshire	CB3 0QD	Freehold
4163	Old George	Arlesey Road, Ickleford	Hitchin	Hertfordshire	SG5 3UX	Freehold
7882	Old Grindstone	3 Crookes	Sheffield	South Yorkshire	S10 1UA	Freehold
4006	Old Oak	Church Lane	Arlesey	Bedfordshire	SG15 6UX	Freehold

7885	Old Peacock	Elland Road	Leeds	West Yorkshire	LS11 8TU	Freehold
1528	Old Red Lion	72 High Holborn, Holborn	London	Greater London	WC1V 6LS	Freehold
1114	Old Spring	1 Ferry Path	Cambridge	Cambridgeshire	CB4 1HB	Freehold
6674	Old Tom	101 St Aldates	Oxford	Oxfordshire	OX1 1BT	Freehold
4023	Orange Tree	Norton Road	Baldock	Hertfordshire	SG7 5AW	Freehold
3816	Osnaburg	23-23 Osnaburg Street	Forfar	Angus	DD8 2AA	Freehold
1128	Ostrich	Stocks Green, Castle Acre	Kings Lynn	Norfolk	PE32 2AE	Freehold
1115	Panton Arms	43 Panton Street	Cambridge	Cambridgeshire	CB2 1HL	Freehold
3654	Paradise Palms	41 Lothian Street	Edinburgh	Midlothian	EH1 1HB	Freehold
5575	Partridge	32 St Marys Street	Wallingford	Oxfordshire	OX10 0ET	Freehold
7899	Pied Bull	5 Bulls Cross	Enfield	Middlesex	EN2 9HE	Freehold
3820	Pittodrie Bar	339 King Street	Aberdeen	Aberdeenshire	AB24 5AP	Freehold
8753	Plough	Main Road, Itchen Abbas	Winchester	Hampshire	SO21 1BQ	Freehold
4174	Plough	77 Church Street, Langford	Biggleswade	Bedfordshire	SG18 9QA	Freehold
5518	Plough & Harrow	Forest Road, Warfield	Bracknell	Berkshire	RG42 6AE	Freehold
5523	Plume	113 High Street	Hungerford	Berkshire	RG17 0NB	Freehold
5524	Plume of Feathers	The Borough, Crondall	Farnham	Surrey	GU10 5NT	Freehold
1117	Portland Arms	129 Chesterton Road	Cambridge	Cambridgeshire	CB4 3BA	Freehold
5526	Portobello	London Road, West Kingsdown	Sevenoaks	Kent	TN15 6JB	Freehold
1170	Prince Albert	62 Silver Street	Ely	Cambridgeshire	CB7 4JF	Freehold
6096	Prince of Wales	64 Shepherds Lane	Bracknell	Berkshire	RG42 2BT	Freehold
5621	Punter	7 South Street	Oxford	Oxfordshire	OX2 0BE	Freehold
5540	Queens Head	23 The Terrace	Wokingham	Berkshire	RG40 1BP	Freehold
4250	Queens Head	2-4 Cambridge Road	Sandy	Bedfordshire	SG19 1JE	Freehold
8731	Queens Head	High Street, Littlebury	Saffron Walden	Essex	CB11 4TD	Freehold
4846	Railway	7 Bakewell Road	Matlock	Derbyshire	DE4 3AU	Freehold
1477	Railway Arms	1 Aldenham Road	Watford	Hertfordshire	WD19 4AB	Freehold
1210	Ram	5 Market Place, Hadleigh	Ipswich	Suffolk	IP7 5DL	Freehold
8734	Red Cow	59-60 High Street	Market Harborough	Leicestershire	LE16 7AF	Freehold
4850	Red Lion	Grantham Road	Bottesford	Nottinghamshire	NG13 0DF	Freehold
3836	Red Lion	Crawford Street	Kelso	Scottish Borders	TD5 7DP	Freehold
3519	Red Lion	Castle Street, Bletchingley	Redhill	Surrey	RH1 4NU	Freehold
5545	Red Lion	Abingdon Road, Drayton	Abingdon	Oxfordshire	OX14 4JB	Freehold
1619	Red Lion	10 North Road	Bromley	Kent	BR1 3LG	Freehold
4072	Red Lion	1 London Road	Biggleswade	Bedfordshire	SG18 8ED	Freehold

1511	Red Lion & Sun	25 North Road, Highgate	London	Greater London	N6 4BE	Freehold
5282	Redan	24 Peach Street	Wokingham	Berkshire	RG40 1XG	Freehold
8736	Richmond	108 Portswood Road	Southampton	Hampshire	SO17 2FW	Freehold
3527	Rifleman	5 East Street	Epsom	Surrey	KT17 1BB	Freehold
8738	Robin Hood	Durley Street, Durley	Southampton	Hampshire	SO32 2AA	Freehold
8740	Roebuck	57 Stockbridge Road	Winchester	Hampshire	SO22 6RP	Freehold
4858	Rose & Crown	High Street, Barlborough	Chesterfield	Derbyshire	S43 4ET	Freehold
1502	Rose & Crown	2 The Polygon, Clapham	London	Greater London	SW4 0JG	Freehold
6070	Rose & Crown	39 High Street, Bulford	Salisbury	Wiltshire	SP4 9DS	Freehold
5559	Rose & Crown	Main Street, Chilton	Didcot	Oxfordshire	OX11 0RZ	Freehold
5562	Rose & Crown	Woodside Road, Winkfield	Windsor	Berkshire	SL4 2DP	Freehold
4502	Rose & Crown	16 Station Road	Bishops Stortford	Hertfordshire	CM23 3BL	Freehold
5563	Rose & Olive Branch	Callow Hill	Virginia Water	Surrey	GU25 4LH	Freehold
4197	Roundgreen Tavern	386 Hitchin Road	Luton	Bedfordshire	LU2 7SR	Freehold
3839	Royal Bar	43 Scott Street	Perth	Perth and Kinross	PH1 5EH	Freehold
1538	Royal Oak	265 Kingston Road	Leatherhead	Surrey	KT22 7PJ	Freehold
1621	Royal Oak	3 Station Road	Lewes	East Sussex	BN7 2DA	Freehold
5573	Royal Oak	59 The Street, Wrecclesham	Farnham	Surrey	GU10 4QS	Freehold
4864	Royal Oak	25 Main Road	Watnall	Nottinghamshire	NG16 1HS	Freehold
8253	Royal Oak	99 High Street	Ongar	Essex	CM5 9DX	Freehold
1171	Royal Standard	24 Forehill	Ely	Cambridgeshire	CB7 4AF	Freehold
6507	Saffron Hotel	8-12 High Street	Saffron Walden	Essex	CB10 1AZ	Freehold
4868	Saracens Head	Church Lane, Shirley	Ashbourne	Derbyshire	DE6 3AS	Freehold
6511	Sculthorpe Mill	Lynn Road, Sculthorpe	Fakenham	Norfolk	NR21 9QG	Freehold
7964	Shades	85 High Street	Crawley	West Sussex	RH10 1BA	Freehold
5581	Shepherds Hut	High Street, Ewelme	Wallingford	Oxfordshire	OX10 6HQ	Freehold
2380	Shepherds Rest	Galmington Road	Taunton	Somerset	TA1 5NZ	Freehold
4871	Sherwood Ranger	Chapel Lane	Ravenshead	Nottinghamshire	NG15 9DH	Freehold
8746	Ship	Whites Hill, Owslebury	Winchester	Hampshire	SO21 1LT	Freehold
1329	Ship	2-4 High Street, Soham	Ely	Cambridgeshire	CB7 5HD	Freehold
8652	Ship & Castle	High Street, Congresbury	Bristol	Somerset	BS49 5JA	Freehold
8653	Silver Fox	16 London Road, Hertford Heath	Hertford	Hertfordshire	SG13 7RH	Freehold
3972	Sinbads	115-117 Argyll Street	Dunoon	Argyll and Bute	PA23 7DH	Freehold
3042	Sir Isaac Newton	84 Castle Street	Cambridge	Cambridgeshire	CB3 0AJ	Leasehold
4878	Sir William Hotel	Sir William Hill Road, Grindleford	Hope Valley	Derbyshire	S32 2HS	Freehold

5585	Six Bells	55 Hale Road	Farnham	Surrey	GU9 9QZ	Freehold
6692	Six Bells	3 Beaumont Road, Headington	Oxford	Oxfordshire	OX3 8JN	Freehold
1025	Six Bells	Main Road, Boreham	Chelmsford	Essex	CM3 3JE	Freehold
1122	Six Bells	11 Covent Garden	Cambridge	Cambridgeshire	CB1 2HS	Freehold
2973	Smiths Arms	1 Towngate, Highburton, Kirkburton	Huddersfield	West Yorkshire	HD8 0QP	Freehold
3856	Smugglers Inn	79 High Street	Stewarton	Ayrshire	KA3 5DX	Freehold
1583	Stag	69 High Street	Lyndhurst	Hampshire	SO43 7BE	Freehold
1567	Stag & Hounds	The Broadway, Farnham Common	Slough	Buckinghamshire	SL2 3QQ	Freehold
3989	Stag Hotel	21-23 High Street	Moffat	Dumfries & Galloway	DG10 9HL	Freehold
3521	Stanhope Arms	Church Road, Brasted	Westerham	Kent	TN16 1HZ	Freehold
3525	Star	36 West Street	Dorking	Surrey	RH4 1BU	Freehold
5593	Star	17 Church Street	Godalming	Surrey	GU7 1EL	Freehold
5594	Star	27 Reading Road, Pangbourne	Reading	Berkshire	RG8 7HY	Freehold
8656	Star & Garter	4-6 Warwick Street, Leamington Spa	Warwick	Warwickshire	CV32 5LL	Freehold
3866	Star Inn	6 Waterside Street	Strathaven	Lanarkshire	ML10 6AW	Freehold
1085	Station	Out Northgate	Bury St Edmunds	Suffolk	IP33 1JQ	Freehold
5596	Sun	36 Charnham Street	Hungerford	Berkshire	RG17 0EJ	Freehold
6520	Swan	1 Church Street	Bradford-On-Avon	Wiltshire	BA15 1LN	Freehold
1443	Swan	High Street, Needham Market	Stowmarket	Suffolk	IP6 8AL	Freehold
5600	Swinley	29 Brockenhurst Road	Ascot	Berkshire	SL5 9DJ	Freehold
1622	Tally Ho	Baxter Road	Lewes	East Sussex	BN7 2SP	Freehold
4090	Tally Ho	77 High Street, Trumpington	Cambridge	Cambridgeshire	CB2 9HZ	Freehold
1520	Tankard	178 Walworth Road, Southwark	London	Greater London	SE17 1JL	Freehold
3912	Tea Gardens Tavern	69 Causeyside Street	Paisley	Renfrewshire	PA1 1YT	Freehold
6523	Thatched Cottage	63-65 Charlton Road	Shepton Mallet	Somerset	BA4 5QF	Freehold
2440	Thatched House	Exwick Road	Exeter	Devon	EX4 2BQ	Freehold
4876	The Colin	1 Old Wortley Road, Kimberworth	Rotherham	South Yorkshire	S61 1NQ	Freehold
1078	The Gym	3 Risbygate Street	Bury St Edmunds	Suffolk	IP33 3AA	Freehold
3914	Thistle Street Bar	39 Thistle Street	Edinburgh	Midlothian	EH2 1 DY	Freehold
2976	Thorntree Inn	Jackson Road	Matlock	Derbyshire	DE4 3JQ	Freehold
4060	Three Cups	45 Newnham Street	Bedford	Bedfordshire	MK40 3JR	Freehold
6696	Three Horseshoes	16 The Green, Garsington	Oxford	Oxfordshire	OX44 9DF	Freehold
1180	Three Kings	Hengrave Road, Fornham All Saints	Bury St Edmunds	Suffolk	IP28 6LA	Freehold
1521	Three Stags	67-69 Kennington Road, Kennington	London	Greater London	SE1 7PZ	Freehold
4021	Three Tuns	6 High Street, Ashwell	Baldock	Hertfordshire	SG7 5NL	Freehold

4500	Three Willows	Birchanger Lane, Birchanger	Bishops Stortford	Essex	CM23 5QR	Freehold
7997	Tollgate	16 Mary Rose Mall	Beckton	Greater London	E6 5LX	Leasehold
1529	Tollington Arms	115 Hornsey Road, Holloway	London	Greater London	N7 6DN	Freehold
4897	Travellers Rest	Brookhouse, Laughton	Sheffield	South Yorkshire	S25 1YA	Freehold
5611	Victoria	Victoria Road, Farnham Common	Slough	Buckinghamshire	SL2 3NL	Freehold
4161	Victoria	1 Ickleford Road	Hitchin	Hertfordshire	SG5 1TJ	Freehold
3515	Victory	Suffolk Street	Walton-On-The-Naze	Essex	CO14 8AR	Freehold
1956	Village Inn	Holt Hill, Beoley	Redditch	Worcestershire	B98 9AT	Freehold
5613	Waggon & Horses	Copthall Lane, Chalfont St Peter	Gerrards Cross	Buckinghamshire	SL9 0BU	Freehold
1270	Waggon & Horses	110 High Street, Linton	Cambridge	Cambridgeshire	CB21 4JT	Freehold
1041	Wagon & Horses	53 South Street	Braintree	Essex	CM7 3QD	Freehold
3926	Wally Dug	32 Northumberland Street	Edinburgh	Midlothian	EH3 6LS	Freehold
8658	Warwick Arms	Upper Bristol Road, Clutton	Bristol	Somerset	BS39 5TA	Freehold
3978	Waverley Hotel	88-94 Main Street	Callander	Stirling	FK17 8BD	Freehold
4319	Weathercock	Station Road, Woburn Sands	Milton Keynes	Buckinghamshire	MK17 8SH	Freehold
4907	Welbeck Inn	18-20 Soresby Street	Chesterfield	Derbyshire	S40 1JN	Freehold
1623	Wellington	33 Steyne Road	Seaford	East Sussex	BN25 1HT	Freehold
4304	Wellington	High Street	Welwyn	Hertfordshire	AL6 9LZ	Freehold
4908	Wellington Inn	103 Nottingham Road	Eastwood	Nottinghamshire	NG16 3GH	Freehold
1325	Western Arms	Western Road, Silver End	Witham	Essex	CM8 3SD	Freehold
6701	Wheatsheaf	68 George Street	Banbury	Oxfordshire	OX16 5BH	Freehold
4217	Wheatsheaf	West Perry, Perry	Huntingdon	Cambridgeshire	PE28 0BX	Freehold
1314	Wheatsheaf	Stow Road, Stow-Cum-Quy	Cambridge	Cambridgeshire	CB25 9AD	Freehold
5628	Wheel	100 Main Road, Naphill	High Wycombe	Buckinghamshire	HP14 4QA	Freehold
2447	White Bear	Church Street	Rickmansworth	Hertfordshire	WD3 1JQ	Freehold
5634	White Hart	139 London Road, Holybourne	Alton	Hampshire	GU34 4EY	Freehold
3365	White Hart	Lower Maudlin Street	Bristol	Avon	BS1 2LU	Freehold
3300	White Hart	High Street, Iron Acton	Bristol	Gloucestershire	BS37 9UG	Freehold
5635	White Hart	Money Row Green, Holyport	Maidenhead	Berkshire	SL6 2ND	Freehold
5631	White Hart	31 Newland Street, Eynsham	Witney	Oxfordshire	OX29 4LB	Freehold
5309	White Horse	23 High Street	Steyning	West Sussex	BN44 3YE	Freehold
8031	White Horse	Winchester Road, Ampfield	Romsey	Hampshire	SO51 9BQ	Freehold
6532	White Horse	Duns Tew	Bicester	Oxfordshire	OX25 6JS	Freehold
4032	White Horse	118 High Street, Barton	Cambridge	Cambridgeshire	CB23 7BG	Freehold

4208	White Horse	28 Longstanton Road, Oakington	Cambridge	Cambridgeshire	CB24 3AB	Freehold
1021	White Horse	Bury Road, Beyton	Bury St Edmunds	Suffolk	IP30 9AB	Freehold
6617	White House	1 Grove Road, Bladon	Woodstock	Oxfordshire	OX20 1RQ	Freehold
4293	White Lion	31 High Street, Walkern	Stevenage	Hertfordshire	SG2 7PA	Freehold
5586	White Oak	The Pound, Cookham	Maidenhead	Berkshire	SL6 9QE	Freehold
3938	Windsor Hotel	42-44 High Street	Leven	Fife	KY8 4NA	Freehold
1933	Woodcock	Woodcock Lane, Iden Green	Cranbrook	Kent	TN17 4HT	Freehold
2981	Woodroffe Arms	1 Castleton Road, Hope	Hope Valley	Derbyshire	S33 6SB	Freehold
8272	Woolpack	23 Mildmay Road	Chelmsford	Essex	CM2 0DN	Freehold
8763	Woolpack	6 Kettering Road, Islip	Kettering	Northamptonshire	NN14 3JU	Freehold
3941	Woolpack Inn	1 Glassford Square	Tillicoultry	Clackmannanshire	FK13 6AU	Freehold
1305	Yard	Grosvenor Yard	Newmarket	Suffolk	CB8 9AW	Freehold
4924	Yarn Spinner	Stoney Lane	Spondon	Derbyshire	DE21 7QG	Freehold
1419	Ye Olde Bell & Steelyard	103 New Street	Woodbridge	Suffolk	IP12 1DZ	Freehold
5582	Ye Olde Ship	Portsmouth Road	Guildford	Surrey	GU2 4EB	Freehold

Freehold	376
Leasehold	5
Mixed Tenure	4
Total	385

Portfolio One

Cost Centre	Property	Street	Town	County	Postcode	Tenure
5220	Acorn	Pingle Drive	Bicester	Oxfordshire	OX26 6WB	Freehold
4034	Anchor	397 Goldington Road	Bedford	Bedfordshire	MK41 0DS	Freehold
1496	Anne Boleyn	93 Southend Road	Rochford	Essex	SS4 1HU	Freehold
7619	Arrowe Park	Arrowe Park Road	Wirral	Merseyside	CH49 5LN	Freehold
6050	Aspen Tree	Gobions Avenue	Romford	Essex	RM5 3SP	Freehold
4631	Badger Box	Derby Road, Kirkby-in-Ashfield	Nottingham	Nottinghamshire	NG17 9BX	Freehold
7713	Bath House	The Esplanade	Exmouth	Devon	EX8 2AZ	Freehold
4635	Beekeeper	Meadow Lane, Beeston	Nottingham	Nottinghamshire	NG9 5AE	Freehold
5226	Bell	79 The Street, Crowmarsh	Gifford	Oxfordshire	OX10 8EF	Freehold
8607	Bell Inn	207 Preston Road	Yeovil	Somerset	BA20 2EW	Freehold
7634	Bent Brook	161 Broadway, Urmston	Manchester	Greater Manchester	M41 7NW	Freehold
5239	Big Cheese	128-130 West End Road	Southampton	Hampshire	SO18 6PH	Freehold
5192	Birchwood Farm	Colorado Way, Glasshoughton	Castleford	West Yorkshire	WF10 4TS	Freehold
1944	Birds	108 Halmer Gate	Spalding	Lincolnshire	PE11 2EL	Freehold
247	Biscot Mill	Biscot Road	Luton	Bedfordshire	LU3 1AS	Freehold
7644	Blue Anchor	32 School Lane, Aintree	Liverpool	Merseyside	L10 8LH	Freehold
7646	Bold Forester	Botany Avenue	Mansfield	Nottinghamshire	NG18 5NG	Freehold
4647	Bonnie Prince	166 Swarkestone Road, Chellaston	Derby	Derbyshire	DE73 5UE	Freehold
1953	Bradmore Arms	Trysull Road	Wolverhampton	West Midlands	WV3 7HX	Freehold
1937	Bramford Arms	Park Road, Woodsetton	Dudley	Staffordshire	DY1 4JH	Freehold
1964	Bridge Inn	North End Road, Yatton	Bristol	Somerset	BS49 4AU	Freehold
1645	Brocklehurst Arms	40 Manchester Road, Tytherington	Macclesfield	Cheshire	SK10 2HA	Freehold
5237	Brookhouse Farm	Middleleaze Drive	Swindon	Wiltshire	SN5 5TZ	Freehold
6418	Broughton Hotel	Broughton	Milton Keynes	Buckinghamshire	MK10 9AA	Freehold
3220	Brunel	315 St Johns Lane	Bristol	Somerset	BS3 5AZ	Freehold
220	Bull & Anchor	233 Wheelwright Lane, Ash Green	Coventry	Warwickshire	CV7 9HN	Freehold
6635	Bullnose Morris	Watlington Road, Cowley	Oxford	Oxfordshire	OX4 6SS	Leasehold
5384	Bystander	Besselsleigh Road, Wootton	Abingdon	Oxfordshire	OX13 6DN	Freehold
7663	Byways	Station Road, Crossgates	Scarborough	North Yorkshire	YO12 4LT	Freehold
4665	Cat & Fiddle	Ladywood Road, Kirk Hallam	Ilkeston	Derbyshire	DE7 4NJ	Freehold
8609	Catherine’s Inn	Bleadon Road	Weston Super Mare	Somerset	BS24 0PZ	Freehold
1408	Chase	Newtown	Thetford	Norfolk	IP24 3BN	Freehold

7674	Chequers	East End, Houghton Regis	Dunstable	Bedfordshire	LU5 5LB	Freehold
4360	Cherry Tree	London Road	Newcastle	Staffordshire	ST5 1NZ	Freehold
1974	Copcut Elm	Worcester Road, Copcut	Droitwich	Worcestershire	WR9 7JA	Freehold
5223	Cotton Wheel	Jackson Road	Aylesbury	Buckinghamshire	HP19 9BF	Leasehold
7698	Cranleigh	1 Clingan Road	Bournemouth	Dorset	BH6 5PY	Freehold
1143	Crown	9 Ipswich Road	Claydon	Suffolk	IP6 0AA	Freehold
1938	Cuckoo Oak	Bridgenorth Road, Madeley	Telford	Shropshire	TF7 4JD	Freehold
7710	Cumberland	Thorne Road	Doncaster	South Yorkshire	DN2 5AA	Freehold
6631	Dairy Maid	Dunsham Lane	Aylesbury	Buckinghamshire	HP20 2ER	Freehold
7711	Darleys	312 Boothferry Road	Hessle	East Riding Yorkshire	HU13 9AR	Freehold
1149	Dog & Pheasant	24 Nayland Road, Mile End	Colchester	Essex	CO4 5EG	Freehold
5248	Dolphin	9 High Street, Botley	Southampton	Hampshire	SO30 2EA	Freehold
6140	Dunvant	Dunvant Road, Dunvant	Swansea	Mid Glamorgan	SA2 7SL	Freehold
5188	Evenwood Farm	Evenwood Close	Runcorn	Cheshire	WA7 1LZ	Freehold
1453	Farmhouse	St Isidores Road, Grange Farm	Kesgrave	Suffolk	IP5 2GA	Leasehold
1965	Farmhouse	Burrfields Road	Portsmouth	Hampshire	PO3 5HH	Leasehold
7763	Farmhouse	Churchill Road	Exmouth	Devon	EX8 4JJ	Freehold
7764	Farmhouse	Wellington Road, Yate	Bristol	Gloucestershire	BS37 5UY	Freehold
1726	Fleming Arms	Wide Lane	Southampton	Hampshire	SO18 2QN	Freehold
1736	Flyer	Dickens Place	Chelmsford	Essex	CM1 4UU	Freehold
1497	Four Seasons	Victoria Road, Laindon	Basildon	Essex	SS15 6AW	Freehold
7521	Fox under the Hill	Shooters Hill Road, Shooters Hill	London	Greater London	SE18 4LT	Freehold
2870	George	12 Post Office Lane, George Green	Slough	Buckinghamshire	SL3 6AX	Freehold
5252	George & Dragon	162 Bath Road	Reading	Berkshire	RG30 2HA	Freehold
7789	Glovers Needle	Windermere Drive	Worcester	Worcestershire	WR4 9JB	Freehold
7791	Gold Medal	Chowdene Bank	Gateshead	Tyne and Wear	NE9 6JP	Freehold
7794	Golden Pheasant	221 Chellaston Road	Derby	Derbyshire	DE24 9EE	Freehold
1954	Grandstand	Grandstand Road	Hereford	Hereford & Worcester	HR4 9NH	Mixed Tenure
1959	Greene Man	Old Church Road, Chingford	London	Greater London	E4 6RB	Freehold
1073	Greengage	Tollgate Lane	Bury St Edmunds	Suffolk	IP32 6DE	Freehold
1597	Greyfisher	Ayleswade Road	Salisbury	Wiltshire	SP2 8DW	Freehold
1530	Greyhound	12 The Street, Charlwood	Horley	Surrey	RH6 0BY	Freehold
4725	Gypsy Queen	Drakehouse Lane, Beighton	Sheffield	South Yorkshire	S20 1FW	Freehold
118	Halcyon	Atherstone Avenue	Peterborough	Cambridgeshire	PE3 9TT	Freehold
1296	Half Moon	103 Kingsway	Mildenhall	Suffolk	IP28 7HS	Freehold

1951	Harbour	Foryd Road, Kinmel Bay	Rhyl	Clwyd	LL18 5BA	Freehold
4331	Harrier	184 Gunthorpe Road	Peterborough	Cambridgeshire	PE4 7DS	Freehold
2933	Henry IV	Greenway Lane	Fakenham	Norfolk	NR21 8ES	Freehold
7812	Heron	Petersfield Road	Havant	Hampshire	PO9 2EN	Freehold
6466	Highwayman	London Road	Dunstable	Bedfordshire	LU6 3DX	Freehold
6608	Highwayman	Great North Road, Graveley	Hitchin	Hertfordshire	SG4 7EH	Freehold
496	Honeycombe	417 Staines Road	Hounslow	Middlesex	TW4 5AR	Freehold
185	Hope & Anchor	Wanlip Road	Syston	Leicestershire	LE7 1PD	Freehold
4405	Kings Arms	42 High Street	Bagshot	Surrey	GU19 5AZ	Freehold
7834	Kings Arms	Kings Lane	Wirral	Merseyside	CH63 8NR	Freehold
4750	Lea Gate	Blackpool Road, Lea	Preston	Lancashire	PR4 0XB	Freehold
6056	Longs Arms	Yarnbrook	Trowbridge	Wiltshire	BA14 6AB	Freehold
7779	Lord Gascoigne	6 Aberford Road, Garforth	Leeds	West Yorkshire	LS25 1PX	Freehold
5263	Lord Nelson	78 Charlton Road	Wantage	Oxfordshire	OX12 8HL	Freehold
8631	Lord Nelson	58 Main Road, Cleeve	Bristol	Somerset	BS49 4NR	Freehold
5186	Lymewood Farm	2 Galway Crescent, Piele Road, Haydock	St Helens	Merseyside	WA11 0GR	Freehold
8619	Magic Roundabout	Charlton Road	Andover	Hampshire	SP10 3JJ	Freehold
7861	Master Potter	Tean Road, Cheadle	Stoke-On-Trent	Staffordshire	ST10 1LW	Freehold
5183	Meadow Farm	Nether Lane, Ecclesfield	Sheffield	South Yorkshire	S35 9ZX	Freehold
7862	Meadows	Liverpool Road South	Liverpool	Merseyside	L31 7AD	Freehold
3340	Merchants Arms	Bell Hill	Bristol	Avon	BS16 1BQ	Freehold
6138	Midday Sun	Outwood Lane, Chipstead	Coulsdon	Surrey	CR5 3NA	Freehold
1968	Mill on the Soar	Coventry Road, Broughton Astley	Leicester	Leicestershire	LE9 6QA	Freehold
1113	Milton Arms	205 Milton Road	Cambridge	Cambridgeshire	CB4 1XG	Freehold
7865	Monkhams	Buckhurst Way	Buckhurst Hill	Essex	IG9 6HY	Freehold
1659	Moorfield	131 Marsland Road	Sale	Cheshire	M33 3NW	Freehold
3064	Moorhen	Burnt Mill Lane	Harlow	Essex	CM20 2QS	Leasehold
4891	Mount	Orrell Road, Orrell	Wigan	Lancashire	WN5 8HQ	Freehold
8635	Mount Pleasant	Hinckley Road, Walsgrave On Sowe	Coventry	Warwickshire	CV2 2EU	Freehold
4775	Mundy Arms	Ilkeston Road, Marlpool	Heanor	Derbyshire	DE75 7LX	Freehold
7869	Nags Head	Green Lane, Crosby	Liverpool	Merseyside	L23 1TJ	Freehold
7871	Netherton	Church Road, Litherland	Liverpool	Merseyside	L21 5HF	Freehold
1593	New Clock Inn	Fair Oak Road	Eastleigh	Hampshire	SO50 8AA	Freehold
5267	New Inn	Hawley Road, Blackwater	Camberley	Surrey	GU17 9ES	Freehold

7875	Newton Park	Benton Road	Newcastle-Upon-Tyne	Tyne and Wear	NE7 7EB	Freehold
8637	Oadby Owl	7 Glen Road, Oadby	Leicester	Leicestershire	LE2 4PE	Freehold
5196	Oak Tree Farm	1 Camberwell Way, Doxford International BP	Sunderland	Tyne and Wear	SR3 3XN	Freehold
7878	Oaklands Hotel	93 Hoole Road	Chester	Cheshire	CH2 3NB	Freehold
450	Oaks	77 Feltham Road	Ashford	Middlesex	TW15 1BS	Freehold
4790	Ock n Dough	14-16 Farm Road	Wellingborough	Northamptonshire	NN8 4UF	Leasehold
7880	Old Farmhouse	Ringwood Road, Totton	Southampton	Hampshire	SO40 8EA	Freehold
4275	Old Red Lion	Shephall Green	Stevenage	Hertfordshire	SG2 9XR	Freehold
8641	Old Royal Oak	Crick Road	Rugby	Warwickshire	CV21 4PW	Mixed Tenure
1972	Oxon Priory	Shelton Corner, Welshpool Road, Shelton	Shrewsbury	Shropshire	SY3 8DL	Freehold
5276	Oystercatcher	Terra Nova Way	Penarth	Mid Glamorgan	CF64 1SB	Freehold
4800	Paddock	391 Mansfield Road, Breadsall	Derby	Derbyshire	DE21 4AW	Freehold
1647	Peregrine	Hillhead Road	Newcastle-Upon-Tyne	Tyne and Wear	NE5 5AP	Freehold
7902	Poachers Pocket	135 Walderslade Road	Chatham	Kent	ME5 0NB	Freehold
7918	Queensway	Ashby Road	Scunthorpe	North East Lincolnshire	DN16 2AG	Freehold
7923	Railway	143-145 Birkenhead Road, Meols	Wirral	Merseyside	CH47 6AA	Freehold
1949	Rake	Rake Lane, Little Stanney	Chester	Cheshire	CH2 4HS	Freehold
7930	Red Lion	294 Blandford Road	Poole	Dorset	BH15 4JQ	Freehold
1649	Riverside Farm	Shipton Road, Skelton	York	North Yorkshire	YO30 1XJ	Freehold
5189	Riverside Farm	Tottle Road	Nottingham	Nottinghamshire	NG2 1RT	Freehold
1237	Roaring Donkey	316 Holland Road	Clacton-On-Sea	Essex	CO15 6PD	Freehold
1620	Rose & Crown	Turkey Road	Bexhill-On-Sea	East Sussex	TN39 5HH	Freehold
8651	Rosewood	Love Lane	Burnham-On-Sea	Somerset	TA8 1EZ	Freehold
7950	Roundhay	Roundhay Road	Leeds	West Yorkshire	LS8 4AR	Freehold
3470	Rowden Arms	Rowden Hill	Chippenham	Wiltshire	SN15 2AW	Freehold
6640	Rowing Machine	Fettiplace Road	Witney	Oxfordshire	OX28 5AR	Leasehold
4391	Royal Anchor	9-11 The Square	Liphook	Hampshire	GU30 7AD	Freehold
7954	Royal Oak	Hucclecote Road	Gloucester	Gloucestershire	GL3 3TW	Freehold
4862	Royal Oak	High Street, Bromborough	Wirral	Lancashire	CH62 7EZ	Freehold
5290	Running Horse	London Road	Bracknell	Berkshire	RG12 2UJ	Leasehold
7962	Seagull	Cornaway Lane	Fareham	Hampshire	PO16 9DB	Freehold

3273	Seven Springs	Seven Springs	Cheltenham	Gloucestershire	GL53 9NG	Freehold
3644	Shamblehurst Barn	Old Shamblehurst Lane, Hedge End	Southampton	Hampshire	SO30 2RX	Freehold
7968	Sherwood	67 Birley Moor Road	Sheffield	South Yorkshire	S12 4WG	Freehold
4870	Sherwood Manor	Mansfield Road	Nottingham	Nottinghamshire	NG5 2FX	Freehold
1962	Ship	Harbour Road	Barry	Mid Glamorgan	CF62 5SB	Freehold
1955	Ship Inn	Steanard Lane, Shepley Bridge	Mirfield	West Yorkshire	WF14 8HB	Freehold
7971	Shuttle & Loom	Whinfield Road	Darlington	Durham	DL1 3RW	Leasehold
6285	Six Bells	Church Lane, Shinfield	Reading	Berkshire	RG2 9DA	Freehold
8654	Sixfields	Sixfields Leisure	Northampton	Northamptonshire	NN5 5QL	Freehold
1935	Sloop Inn	Newton Road, Kingskerswell	Newton Abbot	Devon	TQ12 5ES	Freehold
4879	Snipe	Alfreton Road	Sutton in Ashfield	Nottinghamshire	NG17 1JE	Freehold
6064	Spotted Cow	The Coate, Coate	Swindon	Wiltshire	SN3 6AA	Mixed Tenure
7989	Sundial	Sea Road	South Shields	Tyne and Wear	NE33 2LD	Leasehold
1333	Swan Inn	285 London Road, Stanway	Colchester	Essex	CO3 8LU	Freehold
5190	Sycamore Farm	Liverpool Road	Burnley	Lancashire	BB12 6HH	Freehold
5298	Tandem	193 Kennington Road	Kennington	Oxfordshire	OX1 5PG	Freehold
5135	Tawny Owl	Fyfield Barrow, Walnut Tree	Milton Keynes	Buckinghamshire	MK7 7AN	Freehold
4890	Thatch & Thistle	Surrey Road	Nelson	Lancashire	BB9 7TZ	Freehold
2410	The Stonegallows Inn	Stonegallows	Taunton	Somerset	TA1 5JP	Freehold
3022	Thrasher	Nacton Road	Ipswich	Suffolk	IP3 9RZ	Freehold
1967	Three Elms	Merthyr Road, Whitchurch	Cardiff	Mid Glamorgan	CF14 1JE	Freehold
6048	Travellers Joy	Downhall Road	Rayleigh	Essex	SS6 9JF	Freehold
3281	Travellers Rest	Gloucester Road, Patchway	Bristol	Gloucestershire	BS34 6NR	Freehold
8001	Trawl	Yarborough Road	Grimsby	North East Lincolnshire	DN34 4ES	Leasehold
8003	Turf Tavern	Newmarket Road	Carlisle	Cumbria	CA1 1JG	Freehold
4178	Two Chimneys	Stotfold Road	Letchworth	Hertfordshire	SG6 4JS	Freehold
1958	Twynersh	Thorpe Road	Chertsey	Surrey	KT16 9EJ	Freehold
5260	Warren	Stamford Road	Kettering	Northamptonshire	NN16 8FD	Freehold
5338	Waters Edge	3 Castle Bridge Road	Nottingham	Nottinghamshire	NG7 1GX	Freehold
5305	Weathervane	Lysander Road	Stoke on Trent	Staffordshire	ST3 7WA	Freehold
5306	Wee Waif	Old Bath Road, Charvil	Reading	Berkshire	RG10 9RJ	Freehold
1665	Welby	Nottingham Road	Melton Mowbray	Leicestershire	LE13 0NP	Freehold
8021	Wellow	Kings Road	Cleethorpes	North East Lincolnshire	DN35 0AQ	Freehold

6080	West End Inn	Semington Road	Melksham	Wiltshire	SN12 6DD	Freehold
5300	Wheatpieces	2 Clifford Avenue, Walton Cardiff	Tewkesbury	Gloucestershire	GL20 7RW	Freehold
1624	Wheatsheaf	Herne Bay Road	Whitstable	Kent	CT5 2LU	Freehold
1961	Wheatsheaf	Northdown Park Road	Margate	Kent	CT9 3LN	Freehold
4910	Wheelhouse	Russell Drive, Wollaton	Nottingham	Nottinghamshire	NG8 2BH	Freehold
6104	White Barn	Forest Road, Cuddington	Northwich	Cheshire	CW8 2LD	Freehold
8033	White Horse	1 London Road, Headington	Oxford	Oxfordshire	OX3 7SP	Freehold
5193	Willow Farm	Willow Court, Northumberland Business Park	Cramlington	Northumberland	NE23 7GA	Freehold
1656	Wolds	Loughborough Road, West Bridgford	Nottingham	Nottinghamshire	NG2 7HZ	Freehold
5185	Woodfield Farm	Bullrush Grove, Balby	Doncaster	South Yorkshire	DN4 8SJ	Freehold
4923	Wylde Green	Birmingham Road, Wylde Green	Sutton Coldfield	West Midlands	B72 1DH	Freehold
1650	Yacht Inn	Parkgate Road, Woodbank	Chester	Cheshire	CH1 6EY	Freehold

Freehold	163
Leasehold	11
Mixed Teunure	3
Total	177

Portfolio Two

Cost Centre	Property	Street	Town	County	Postcode	Tenure
7612	Air Balloon	Crickley Hill, Birdlip	Gloucester	Gloucestershire	GL4 8JY	Freehold
6403	Anchor Inn	Fore Street, Beer	Seaton	Devon	EX12 3ET	Freehold
6603	Antelope	8 High Street	Poole	Dorset	BH15 1BP	Freehold
7617	Apple Tree	Stockwell Lane, Woodmancote	Cheltenham	Gloucestershire	GL52 9QG	Freehold
4994	Barley Mow	28 Main Road, Milford	Stafford	Staffordshire	ST17 0UW	Freehold
7624	Basset Hound	107 Barnston Road, Thingwall	Wirral	Merseyside	CH61 1AS	Freehold
9110	Bear Hotel	15 East Street	Havant	Hampshire	PO9 1AA	Freehold
6408	Bell Hotel	Church Street	Tewkesbury	Gloucestershire	GL20 5SA	Freehold
7639	Black Bull	Middle Street	Corbridge	Northumberland	NE45 5AT	Freehold
6417	Bridgewater Arms Hotel	Little Gaddesden	Berkhamsted	Hertfordshire	HP4 1PD	Freehold
6596	Brig O'Don	739 King Street	Aberdeen	Aberdeenshire	AB24 1XZ	Freehold
6420	Bull Hotel	Hall Street, Long Melford	Sudbury	Suffolk	CO10 9JG	Freehold
6421	Bull Hotel	Bridge Street	Halstead	Essex	CO9 1HU	Freehold
1632	Burnbrae	Milngavie Road, Bearsden	Glasgow	Lanarkshire	G61 3DQ	Freehold
3689	Caledonian Hotel	81 High Street	Leven	Fife	KY8 4NG	Freehold
8608	Cart & Horses	London Road, Kingsworthy	Winchester	Hampshire	SO23 7QN	Freehold
7669	Castle	Castle Street	Bakewell	Derbyshire	DE45 1DU	Freehold
6423	Cedars Inn	Bickington Road, Sticklepath	Barnstaple	Devon	EX31 2HE	Freehold
7672	Chapel House	Chapel House Buildings, Low Moor	Bradford	West Yorkshire	BD12 0HP	Freehold
8611	Churchill	Swindon Road, Wootton Bassett	Swindon	Wiltshire	SN4 8ET	Freehold
6432	Cock Hotel	72-74 High Street, Stony Stratford	Milton Keynes	Buckinghamshire	MK11 1AH	Freehold
9130	Coleshill Hotel	152-156 High Street, Coleshill	Birmingham	Warwickshire	B46 3BG	Freehold
7688	Commodore	Southbourne Overcliffe Drive	Bournemouth	Dorset	BH6 3TD	Freehold
4675	Corn Mill	Swiney Way, Beeston	Nottingham	Nottinghamshire	NG9 6GX	Freehold
7694	Cottage Loaf	338 Telegraph Road, Thurstaston	Wirral	Merseyside	CH61 0HJ	Freehold
1907	Cowdray Arms	London Road, Balcombe	Haywards Heath	West Sussex	RH17 6QD	Freehold
7696	Crab	94 High Street	Shanklin	Isle of Wight	PO37 6NS	Freehold
1614	Cricketers	Cricketers Lane, Warfield	Bracknell	Berkshire	RG42 6JT	Freehold
6434	Cromwell Lodge Hotel	9-11 North Bar Street	Banbury	Oxfordshire	OX16 0TB	Freehold
6435	Cross Hands Hotel	Tetbury Road, Old Sodbury	Bristol	Gloucestershire	BS37 6RJ	Freehold
7702	Cross House Inn	Three Tuns Lane, Cross Green	Formby	Merseyside	L37 4BH	Freehold
1634	Cuddie Brae	91 Newcraighall Road	Musselburgh	Midlothian	EH21 8RX	Freehold

6442	Dartbridge Inn		Buckfastleigh	Devon	TQ11 0JR	Freehold
7716	Dirty Duck	Waterside	Stratford-Upon-Avon	Warwickshire	CV37 6BA	Freehold
5247	Dog House	Faringdon Road, Frilford Heath	Abingdon	Oxfordshire	OX13 6QJ	Freehold
8225	Duke of Wellington	The Street, Hatfield Peverel	Chelmsford	Essex	CM3 2EA	Freehold
8616	Durham Ox	Shrewley Common, Shrewley	Warwick	Warwickshire	CV35 7AY	Freehold
5249	Ely	London Road, Blackwater	Camberley	Hampshire	GU17 9LJ	Freehold
7766	Feathers	49 Cambridge Road, Wadesmill	Ware	Hertfordshire	SG12 0TN	Freehold
9160	Fieldhead Hotel	Markfield Lane	Markfield	Leicestershire	LE67 9PS	Freehold
7768	Fishermans Rest	Mill Lane, Titchfield	Fareham	Hampshire	PO15 5RA	Freehold
7771	Folly	Folly Lane	East Cowes	Isle of Wight	PO32 6NB	Mixed Tenure
1071	Fox	1 Eastgate Street	Bury St Edmunds	Suffolk	IP33 1XX	Freehold
6452	Fromebridge Mill	Fromebridge Lane	Whitminster	Gloucestershire	GL2 7PD	Freehold
6457	George Hotel	George Street	Huntingdon	Cambridgeshire	PE29 3AB	Freehold
4019	George IV	London Road	Baldock	Hertfordshire	SG7 6LZ	Freehold
6458	Globe Inn	Globe Lane	Leighton Buzzard	Bedfordshire	LU7 2TA	Freehold
5760	Golden Lion	25 King Street	St James’s	Greater London	SW1Y 6QY	Freehold
4717	Goose at Gamston	Ambleside, Gamston	Nottingham	Nottinghamshire	NG2 6NA	Freehold
1023	Green Dragon	Upper London Road, Youngs End	Braintree	Essex	CM77 8QN	Freehold
6460	Green Man	High Street, Lavendon	Olney	Buckinghamshire	MK46 4HA	Freehold
6464	Hare & Hounds	Downend Road	Newport	Isle of Wight	PO30 2NU	Freehold
4730	Harrington Arms	392 Tamworth Road, Long Eaton	Nottingham	Nottinghamshire	NG10 3AU	Freehold
1554	Heathy Farm	Balcombe Road	Crawley	West Sussex	RH10 3NQ	Freehold
4732	High Park	Bradley Road	Huddersfield	West Yorkshire	HD2 1PZ	Freehold
6591	Home Farm View	Dean Park Way	Kirkcaldy	Fife	KY2 6XZ	Freehold
4738	Horse & Groom	Moorgreen, Newthorpe	Nottingham	Nottinghamshire	NG16 2FE	Freehold
6468	Hunters Hall Inn	Kingscote	Tetbury	Gloucestershire	GL8 8XZ	Freehold
7832	King Rufus	135 Winchester Road, Chandlers Ford	Eastleigh	Hampshire	SO53 2DU	Freehold
6471	Kings Arms	Market Square	Westerham	Kent	TN16 1AN	Freehold
6474	Kings Head Hotel	The Square	Wimborne	Dorset	BH21 1JG	Freehold
6476	Lamb Hotel	2 Lynn Road	Ely	Cambridgeshire	CB7 4EJ	Freehold
6593	Lime Kiln	Almondvale Parkway	Livingston	West Lothian	EH54 6QT	Freehold
8630	Little Harp	Elton Road	Clevedon	Somerset	BS21 7RH	Freehold
4764	Magna Charta	Southwell Road	Lowdham	Nottinghamshire	NG14 7DQ	Freehold
6590	Maltings	198 Dunkeld Road	Perth	Perth and Kinross	PH1 3GD	Freehold

6480	Manor Hotel	26 Hendford	Yeovil	Somerset	BA20 1TG	Freehold
6483	Millers Hotel	Twycross Road, Sibson	Nuneaton	Warwickshire	CV13 6LB	Freehold
6669	New Inn	Bath Road, Farmborough	Bath	Somerset	BA2 0EG	Freehold
4789	Nurseryman	177 Derby Road, Beeston	Nottingham	Nottinghamshire	NG9 3AE	Freehold
8638	Old Ferry Boat	Holywell, St Ives	Huntingdon	Cambridgeshire	PE27 4TG	Freehold
6673	Old Fisherman	Mill Road, Shabbington	Aylesbury	Buckinghamshire	HP18 9HJ	Freehold
6488	Old Manse Hotel	Victoria Street, Bourton-on-the-Water	Cheltenham	Gloucestershire	GL54 2BX	Freehold
7892	Pen & Parchment	Bridgefoot	Stratford-Upon-Avon	Warwickshire	CV37 6YY	Freehold
7896	Phoenix	2 High Lane, Ridgeway	Sheffield	South Yorkshire	S12 3XF	Freehold
8646	Plume of Feathers	57 Upper Green, Tewin	Welwyn	Hertfordshire	AL6 0LX	Freehold
7914	Queens Head	The Cross, Burley	Ringwood	Hampshire	BH24 4AB	Freehold
8647	Queens Head	Portsmouth Road, Fishers Pond	Eastleigh	Hampshire	SO50 7HF	Freehold
6495	Queens Head	Rushden Road	Milton Ernest	Bedfordshire	MK44 1RU	Freehold
7919	Raby Arms	Front Street, Hart	Hartlepool	Durham	TS27 3AJ	Freehold
9190	Raven Hotel	Station Road	Hook	Hampshire	RG27 9HS	Freehold
7928	Red Lion	High Street, Avebury	Marlborough	Wiltshire	SN8 1RF	Freehold
6496	Red Lion	The Green, Adderbury	Banbury	Oxfordshire	OX17 3NG	Freehold
7933	Red Lion	Sheffield Road, Todwick	Sheffield	South Yorkshire	S26 1DJ	Freehold
4129	Red Lion	33 High Street	Grantchester	Cambridgeshire	CB3 9NF	Freehold
9200	Red Lion Hotel	East Street	Fareham	Hampshire	PO16 0BP	Freehold
7941	Rising Sun	74 Shore Road, Warsash	Southampton	Hampshire	SO31 9FT	Freehold
9210	Rising Sun Hotel	Cleeve Hill	Cheltenham	Gloucestershire	GL52 3PX	Freehold
1648	Rising Sun Inn	Middlewich Road, Wistaston	Crewe	Cheshire	CW2 8SB	Freehold
6498	Riverside Hotel	Riverside Drive, Branston	Burton on Trent	Staffordshire	DE14 3EP	Freehold
6594	Riverside Inn	Riverside Drive	Dundee	Angus	DD2 1UH	Freehold
1134	Robin Hood	1 Fulbourn Road	Cambridge	Cambridgeshire	CB1 9JL	Freehold
6499	Roebuck	Wych Cross	Forest Row	East Sussex	RH18 5JL	Freehold
5284	Rose Revived	Newbridge	Witney	Oxfordshire	OX29 7QD	Freehold
7949	Rosedene	Queen Alexandra Road	Sunderland	Tyne and Wear	SR2 9BT	Freehold
6501	Rothley Court Hotel	Westfield Lane	Rothley	Leicestershire	LE7 7LG	Freehold
6503	Royal George Hotel	Birdlip	Gloucester	Gloucestershire	GL4 8JH	Freehold
6504	Royal Hotel	Royal Parade	Ross-on-Wye	Hereford & Worcester	HR9 5HZ	Freehold
7955	Royal Oak	19 Langstone High Street	Havant	Hampshire	PO9 1RY	Freehold

7956	Royal Oak	Aldershot Road, Pirbright	Woking	Surrey	GU24 0DQ	Freehold
1324	Rushbrooke Arms	Sicklesmere	Bury St Edmunds	Suffolk	IP30 0BU	Freehold
6506	Ryde Castle Hotel	Esplanade	Ryde	Isle of Wight	PO33 1JA	Freehold
6509	Saracens Head Hotel	219 Watling Street	Towcester	Northamptonshire	NN12 6BX	Freehold
6595	Scot’s Bonnet	Queens Drive	Kilmarnock	Ayrshire	KA1 3XB	Freehold
4869	Seven Wells	Heage Lane	Etwall	Derbyshire	DE65 6LS	Freehold
1658	Shepherds Rest	10 Straik Road	Westhill	Aberdeenshire	AB32 6HF	Freehold
6597	Springkerse View	Springkerse Business Park	Stirling	Stirling	FK7 7XF	Freehold
9230	St Leonards Hotel	185 Ringwood Road, St Leonards	Ringwood	Hampshire	BH24 2NP	Freehold
8655	Stag	Redhill, Alcester	Warwick	Warwickshire	B49 6NQ	Freehold
6515	Sun Hotel	Sun Street	Hitchin	Hertfordshire	SG5 1AF	Freehold
4084	Swan	Bridge End, Bromham	Bedford	Bedfordshire	MK43 8LS	Freehold
7992	Swan	3 Kiln Road, Sherborne St John	Basingstoke	Hampshire	RG24 9HS	Freehold
6518	Swan	High Street	Alton	Hampshire	GU34 1AT	Freehold
5297	Swan	Shooters Hill, Pangbourne	Reading	Berkshire	RG8 7DU	Freehold
6519	Swan Hotel	Bull Ring, Thaxted	Dunmow	Essex	CM6 2PL	Freehold
3291	Swan Inn	Tockington Green, Tockington	Bristol	Gloucestershire	BS32 4NJ	Freehold
4160	Three Moorhens	Hitchin Hill	Hitchin	Hertfordshire	SG4 9AJ	Freehold
4899	Tree Tops	Plains Road, Mapperley	Nottingham	Nottinghamshire	NG3 5RF	Freehold
7734	Trents	50 South Street	Chichester	West Sussex	PO19 1DS	Freehold
4900	Two Henrys	Robert Jones Way, Battlefield	Shrewsbury	Shropshire	SY4 3EQ	Freehold
7080	Vale Royal Abbey Arms	Chester Road, Oakmere	Northwich	Cheshire	CW8 2HB	Freehold
4904	Waterside	1430 Park Boulevard, Centre Park	Warrington	Cheshire	WA1 1PR	Freehold
1657	Wellington Hotel	Wellington Road, Nigg	Aberdeen	Aberdeenshire	AB12 3GH	Freehold
1662	West Gate	38 Westgate Street	Bath	Somerset	BA1 1EL	Freehold
5630	White Hart	Three Households	Chalfont St Giles	Buckinghamshire	HP8 4LP	Freehold
6529	White Hart	Market End	Coggeshall	Essex	CO6 1NH	Freehold
6530	White Hart Hotel	Bocking End	Braintree	Essex	CM7 9AB	Freehold
5308	White Horse Hotel	High Street, Rottingdean	Brighton	East Sussex	BN2 7HR	Freehold
5106	Woodman	Thorpe Wood	Peterborough	Cambridgeshire	PE3 6SQ	Leasehold
6534	Woolpack	Warminster Road, Beckington	Frome	Somerset	BA11 6SP	Freehold
5782	Ye Olde Monken Holt	193 High Street	Barnet	Hertfordshire	EN5 5SU	Freehold
6044	Ye Olde Swan	Summer Road	Thames Ditton	Surrey	KT7 0QQ	Freehold

Freehold	130
Leasehold	1
Mixed Teunure	1
Total	132

Portfolio Three

Cost Centre	Property	Street	Town	County	Postcode	Tenure
7302	Albert Tavern	65 Harrington Road, South Norwood	London	Greater London	SE25 4LX	Freehold
1625	Allsop Arms	137-143 Gloucester Place	London	Greater London	NW1 5AL	Freehold
1505	Apple Tree	45 Mount Pleasant, Clerkenwell	London	Greater London	WC1X 0AE	Freehold
7854	Ascott	144 Field End Road	Pinner	Middlesex	HA5 1RJ	Freehold
6018	Assembly House	292-294 Kentish Town Road, Kentish Town	London	Greater London	NW5 2TG	Mixed Tenure
5676	Bald Faced Stag	69 High Road, East Finchley	London	Greater London	N2 8AB	Freehold
6078	Black Lion	295 West End Lane, West Hampstead	London	Greater London	NW6 1RD	Freehold
771	Bollo House	13 Bollo Lane	Chiswick	Greater London	W4 5LR	Freehold
6086	Brockley Jack	408-410 Brockley Road	London	Greater London	SE4 2DH	Freehold
7659	Buff	Pinewood Drive	Orpington	Greater London	BR6 9NL	Freehold
1626	Bunch of Grapes	207 Brompton Road, Knightsbridge	London	Greater London	SW3 1LA	Freehold
6002	Carpenters Arms	1370 Uxbridge Road	Hayes	Middlesex	UB4 8JJ	Freehold
242	Cart Overthrown	Montague Road, Lower Edmonton	London	Greater London	N9 0ER	Freehold
1627	City Barge	27 Strand on the Green, Chiswick	London	Greater London	W4 3PH	Freehold
7682	Coach & Horses	1 Great Marlborough Street	Soho	Greater London	W1F 7HG	Freehold
5677	Crabtree	Rainville Road	London	Greater London	W6 9HA	Freehold
1556	Cricketers	The Green	Richmond	Surrey	TW9 1LX	Freehold
7707	Crown & Horseshoes	12-15 Horseshoe Lane	Enfield	Middlesex	EN2 6PZ	Freehold
5678	Duke of Sussex	75 South Parade, Acton Green	London	Greater London	W4 5LF	Freehold
1533	Fig Tree	49 Windsor Street	Uxbridge	Middlesex	UB8 1AB	Freehold
7786	George & Dragon	176 High Street, Yiewsley	West Drayton	Middlesex	UB7 7BE	Freehold
7790	Goat	250 High Street	Enfield	Middlesex	EN3 4HB	Freehold
6092	Greene Oak	Dedworth Road	Windsor	Berkshire	SL4 5UW	Freehold
1534	Grove	9 Grove Road	Surbiton	Surrey	KT6 4BX	Freehold
1654	Grove	Ealing Green, Ealing	London	Greater London	W5 5QX	Freehold
7758	Hand & Racquet	25-27 Wimbledon Hill	Wimbledon	Greater London	SW19 7NE	Freehold
7807	Hare & Billet	1A Elliott Cottages - Hare & Billet Road	Blackheath	Greater London	SE3 0QJ	Freehold
7811	Hendon	377 Hendon Way	Hendon	Greater London	NW4 3LP	Freehold
4343	Hope & Anchor	207 Upper Street, Islington	London	Greater London	N1 1RL	Freehold
5763	Kew Gardens Hotel	292 Sandycombe Road	Richmond	Surrey	TW9 3NG	Freehold
7839	Kings Stores	14 Widegate Street	Whitechapel	Greater London	E1 7HP	Freehold
8106	Lincoln Arms	155 Percival Road	Enfield	Middlesex	EN1 1QT	Freehold

6760	Lucas Arms	245A Grays Inn Road	London	Greater London	WC1X 8QY	Freehold
1612	Magpie	64 Thames Street	Sunbury On Thames	Middlesex	TW16 6AF	Freehold
6809	Maynard Arms	70 Park Road, Crouch End	London	Greater London	N8 8SX	Freehold
5681	Metropolitan	60 Great Western Road	London	Greater London	W11 1AB	Freehold
8151	Minstrel Boy	156 Colney Hatch Lane, Muswell Hill	London	Greater London	N10 1ER	Freehold
7874	New Moon	88 Gracechurch Street	Whitechapel	Greater London	EC3V 0DN	Freehold
5683	North London Tavern	375 Kilburn High Road	London	Greater London	NW6 7QB	Freehold
1574	Old Fields	20 Replingham Road, Southfields	London	Greater London	SW18 5LS	Freehold
7887	Old Star	66 Broadway	City-Of-Westminster	Greater London	SW1H 0DB	Mixed Tenure
3081	Old Tea Warehouse	4, 6, 8 Creechurch Lane	London	Greater London	EC3A 5AY	Leasehold
1513	OSP	80 Fulham Palace Road, Hammersmith	London	Greater London	W6 9PL	Freehold
5685	Oxford	256 Kentish Town Road	London	Greater London	NW5 2AA	Freehold
7891	Pavilion	Wood Lane	Shepherds Bush	Greater London	W12 0HQ	Freehold
7900	Pinner Arms	Whittington Way	Pinner	Middlesex	HA5 5JS	Freehold
1834	Prince of Wales	23 Bridge Road	East Molesey	Surrey	KT8 9EU	Freehold
1629	Ram	34 High Street	Kingston-Upon-Thames	Surrey	KT1 1HL	Freehold
8649	Red Lion	Main Street, Hunningham	Leamington Spa	Warwickshire	CV33 9DY	Freehold
7940	Rising Sun	189-191 Eltham High Street	Eltham	Greater London	SE9 1TS	Freehold
7976	Salt Quay	163 Rotherhithe Street	Rotherhithe	Greater London	SE16 5QU	Leasehold
5364	Salthouse	63 Abbey Road, St Johns Wood	London	Greater London	NW8 0AE	Freehold
7967	Sherlock Holmes	10 Northumberland Street	St James’s	Greater London	WC2N 5DB	Freehold
1631	St Margarets	107 St Margarets Place	Twickenham	Middlesex	TW1 2LJ	Freehold
7826	Station Tavern	Green Street	Enfield	Middlesex	EN3 7SH	Freehold
5675	Tide End Cottage	8 Ferry Road	Teddington	Middlesex	TW11 9NN	Freehold
6020	Unicorn	227 Camden Road, Camden Town	London	Greater London	NW1 9AA	Freehold
5689	Vine	86 Highgate Road	London	Greater London	NW5 1PB	Freehold
8037	Williams Ale & Wine House	22-24 Artillery Lane	Whitechapel	Greater London	E1 7LS	Freehold
6739	Wilmington Arms	69 Roseberry Avenue, Clerkenwell	London	Greater London	EC1R 4RL	Freehold
					Freehold	56
					Leasehold	2
					Mixed	2

Teunure	
Total	60

Portfolio Four

Cost Centre	Property	Street	Town	County	Postcode	Tenure
1550	Abbott	14 Station Road	Redhill	Surrey	RH1 1NZ	Freehold
3648	Academical Vaults	26 Burnbank Road	Hamilton	Lanarkshire	ML3 9AA	Freehold
7611	Acorn	516 Burncross Road, Burncross	Sheffield	South Yorkshire	S35 1SL	Freehold
1638	Advocate	7 Hunter Square	Edinburgh	Midlothian	EH1 1QW	Freehold
3649	Albanach	197 High Street	Edinburgh	Midlothian	EH1 1PE	Freehold
8600	Albion	15 Bristol Road, Portishead	Bristol	Somerset	BS20 6PZ	Freehold
7615	Ancient Foresters	230 High Street, Wibsey	Bradford	West Yorkshire	BD6 1QP	Freehold
8602	Anton Arms	Salisbury Road	Andover	Hampshire	SP10 2JN	Freehold
1483	Archers	194-204 Main Road, Gidea Park	Romford	Essex	RM2 5HA	Freehold
7618	Arkles	77 Anfield Road	Liverpool	Merseyside	L4 0TJ	Freehold
3653	Armstrongs	136 Battlefield Road, Battlefield	Glasgow	Lanarkshire	G42 9JT	Freehold
3949	Auctioneer’s	28 Church Street	Inverness	Inverness-Shire	IV1 1EH	Freehold
7621	Baffins	127 Tangier Road	Portsmouth	Hampshire	PO3 6PD	Freehold
1185	Bakers Arms	4 Hinton Road, Fulbourn	Cambridge	Cambridgeshire	CB21 5DZ	Freehold
7622	Ball	171-173 Crookes	Sheffield	South Yorkshire	S10 1UD	Freehold
7623	Bamburgh	175 Bamburgh Avenue	South Shields	Tyne and Wear	NE34 6SS	Freehold
8603	Barleycorn	2 Lower Northam Road, Hedge End	Southampton	Hampshire	SO30 4FQ	Freehold
3017	Baron of Beef	19 Bridge Street	Cambridge	Cambridgeshire	CB2 1UF	Leasehold
5224	Bay Tree	The Green, Grove	Wantage	Oxfordshire	OX12 0AN	Freehold
4402	Beacon	35 Kings Road	Basingstoke	Hampshire	RG22 6DJ	Leasehold
7627	Beaconsfield	3-5 Beaconsfield Road	Gateshead	Tyne and Wear	NE9 5EU	Freehold
6084	Bear & Ragged Staff	2 London Road, Crayford	Dartford	Kent	DA1 4BH	Freehold
7628	Bear & Ragged Staff	68 Warwick Road	Kenilworth	Warwickshire	CV8 1HH	Freehold
7629	Bears Paw	Dicksons Drive, Newton	Chester	Cheshire	CH2 2BT	Freehold
4634	Beechdale	Beechdale Road	Nottingham	Nottinghamshire	NG8 3FE	Freehold
7632	Bell	Shottery Village, Shottery	Stratford-upon-Avon	Warwickshire	CV37 9HD	Freehold
4637	Bell Inn	18 Angel Row	Nottingham	Nottinghamshire	NG1 6HL	Freehold
7633	Ben Lomond	Grange Road West	Jarrow	Tyne and Wear	NE32 3JA	Freehold
7635	Big Tree	842 Chesterfield Road	Sheffield	South Yorkshire	S8 0SF	Freehold
7636	Billet	206 London Road	Sittingbourne	Kent	ME10 1QA	Freehold
7637	Bird in Hand	The Street, Beck Row	Bury St Edmunds	Suffolk	IP28 8ES	Freehold
7638	Birkey	35 Cooks Road	Liverpool	Merseyside	L23 2TB	Freehold

7732	Bishops Tavern	225-229 Cheltenham Road	Bristol	Gloucestershire	BS6 5QP	Freehold
7799	Black Griffin Inn	Church Road, Lisvane	Cardiff	South Glamorgan	CF14 0SJ	Freehold
7640	Black Horse	284 County Road, Walton	Liverpool	Merseyside	L4 5PW	Freehold
7641	Black Horse	641 Prescot Road, Old Swan	Liverpool	Merseyside	L13 5XD	Freehold
5229	Black Horse	6 Banbury Road	Kidlington	Oxfordshire	OX5 2BT	Freehold
7642	Black Horse	Longbrook Street	Exeter	Devon	EX4 6AB	Freehold
6012	Black Horse	191 Frome Road	Trowbridge	Wiltshire	BA14 0DU	Freehold
7643	Blackbirds	25-27 High Street, Flitwick	Bedford	Bedfordshire	MK45 1DX	Freehold
1642	Blue Stane	5 Alexandra Place	St Andrews	Fife	KY16 9XD	Freehold
1948	Boathouse	14 Chesterton Road	Cambridge	Cambridgeshire	CB4 3AX	Mixed Tenure
7647	Bold Forester	177 Albert Road	Southsea	Hampshire	PO4 0JW	Freehold
3672	Borestone	2 Bannockburn Road	Stirling	Stirling	FK7 0BP	Freehold
5234	Boundary House	69 Oxford Road	Abingdon	Oxfordshire	OX14 2AA	Freehold
5235	Bowyer Arms	Foxborough Road, Radley	Abingdon	Oxfordshire	OX14 3AE	Freehold
3731	Brasshouse	33-35 Carnegie Drive	Dunfermline	Fife	KY12 7AN	Freehold
7650	Bridge	Wokingham Road	Bracknell	Berkshire	RG42 1PP	Freehold
4654	Broad Oak	Main Street, Strelley	Nottingham	Nottinghamshire	NG8 6PD	Freehold
7653	Broadwater	4 Broadwater Street West	Worthing	West Sussex	BN14 9DA	Freehold
7654	Broadway	241 Castle Lane West	Bournemouth	Dorset	BH8 9TG	Freehold
7655	Bromborough	2 Bromborough Village Road	Wirral	Merseyside	CH62 7ES	Freehold
7657	Brunswick	199 Malmesbury Park Road	Bournemouth	Dorset	BH8 8PX	Freehold
4041	Bull	259 London Road	Bedford	Bedfordshire	MK42 0PX	Freehold
1302	Bull	62 High Street	Newmarket	Suffolk	CB8 8LB	Freehold
7660	Bull	Boxley Road, Penenden Heath	Maidstone	Kent	ME14 2DH	Freehold
4336	Bumble Bee	Coniston Road, Flitwick	Bedford	Bedfordshire	MK45 1QY	Freehold
1061	Bushel	St Johns Street	Bury St Edmunds	Suffolk	IP33 1SN	Freehold
3686	Butchers Arms	443 George Street	Aberdeen	Aberdeenshire	AB25 3YB	Freehold
6066	Butterchurn	Erskine Road	Sutton	Surrey	SM1 3AS	Freehold
7665	Caernarvon Castle	10 Bidston Road	Prenton	Merseyside	CH43 2JZ	Freehold
3979	Cameo	23 Commercial Street, Leith	Edinburgh	Midlothian	EH6 6JA	Freehold
7667	Carleton	Hardwick Road	Pontefract	West Yorkshire	WF8 3PQ	Freehold
3725	Carrick	112-114 High Street	Irvine	Ayrshire	KA12 8AH	Freehold
7670	Castle in the Air	49 Old Gosport Road	Fareham	Hampshire	PO16 0XH	Freehold
7673	Chequers	177 Southborough Lane	Bromley	Kent	BR2 8AP	Freehold
7675	Chestnut Tree	227 Weyhill Road	Andover	Hampshire	SP10 3LL	Freehold

7676	Church Wicketts	Church Road, Dawley	Telford	Shropshire	TF4 2AS	Freehold
7746	Churchill	382 Ashley Road	Poole	Dorset	BH14 9DQ	Freehold
7679	Clarence Garden	118 London Road	Portsmouth	Hampshire	PO2 0LZ	Freehold
7681	Clive Arms	360 Cowbridge Road East	Cardiff	South Glamorgan	CF5 1HE	Freehold
3701	Club	76 High Street, Newarthill	Motherwell	Lanarkshire	ML1 5JH	Freehold
7684	Coach & Horses	Poole Road	Wimborne	Dorset	BH21 1QB	Freehold
4244	Coach House	18 High Street, St Neots	Huntingdon	Cambridgeshire	PE19 1JA	Freehold
7685	Coach House	Manor Gardens, Locking	Weston Super Mare	Somerset	BS24 8DG	Freehold
4155	Cock	8 High Street	Hitchin	Hertfordshire	SG5 1BH	Freehold
6431	Cock & Bell	Hall Street, Long Melford	Sudbury	Suffolk	CO10 9JR	Freehold
1739	Cock & Pye	13 Upper Brook Street	Ipswich	Suffolk	IP4 1EG	Freehold
8612	College Oak	Peachcroft Road	Abingdon	Oxfordshire	OX14 2SB	Leasehold
7687	Commercial	403 Gower Road, Killay	Swansea	West Glamorgan	SA2 7AN	Freehold
7689	Compasses	45 Little Mount Sion	Tunbridge Wells	Kent	TN1 1YP	Freehold
1633	Coopers	499 Great Western Road	Glasgow	Lanarkshire	G12 8HN	Freehold
7691	Coopers Mill	Brunswick Street	Yeovil	Somerset	BA20 1QZ	Freehold
7894	Copa of Cheltenham	66 Regent Street	Cheltenham	Gloucestershire	GL50 1HA	Freehold
7740	Copper Pot	41-43 Warwick Street	Leamington Spa	Warwickshire	CV32 5JX	Freehold
7692	Coronation	12 King Street	Southport	Merseyside	PR8 1JZ	Freehold
3944	Counting House	17 High Street	Dumbarton	Dunbartonshire	G82 1LS	Freehold
8613	County Arms	85 Romsey Road	Winchester	Hampshire	SO22 5DL	Mixed Tenure
3706	County Hotel	35 High Street	Peebles	Scottish Borders	EH45 8AN	Freehold
5113	Crab & Winkle	3 Loxley	Peterborough	Cambridgeshire	PE4 5BW	Leasehold
4796	Crabmill	Hagley Road, Oldswinford	Stourbridge	West Midlands	DY8 2JP	Freehold
3707	Craig Dhu	4 Calside	Paisley	Renfrewshire	PA2 6DA	Freehold
7697	Crane	Denys Drive	Basildon	Essex	SS14 3LP	Leasehold
5110	Cricketers	247 Oldbrook Boulevard, Oldbrook	Milton Keynes	Buckinghamshire	MK6 2QA	Freehold
1763	Cricketers	88 High Street, Rainham	Gillingham	Kent	ME8 7JH	Freehold
7700	Cricketers	The Green, Southwick	Brighton	West Sussex	BN42 4GF	Freehold
5244	Cricketers	Cricket Hill Lane	Yateley	Hampshire	GU46 6BA	Freehold
7701	Cricketers Arms	232 Chestnut Avenue, North Stoneham	Eastleigh	Hampshire	SO53 3HN	Freehold
3303	Cross Hands	Bridgwater Road, Bedminster Down	Bristol	Somerset	BS13 7AQ	Freehold
7706	Crown	15 Booths Hill Road	Lymm	Cheshire	WA13 0DJ	Freehold

249	Crown	1 George Street	Luton	Bedfordshire	LU1 2AA	Freehold
7704	Crown	Carfax	Horsham	West Sussex	RH12 1DW	Freehold
2591	Crown	277 Amersham Road, Hazlemere	High Wycombe	Buckinghamshire	HP15 7QA	Freehold
4682	Crown & Arrows	Sinfin Avenue	Derby	Derbyshire	DE24 9JA	Freehold
7708	Crown Wood	Opladen Way	Bracknell	Berkshire	RG12 0PE	Leasehold
7709	Cuckoo Pint	120 Cuckoo Lane	Fareham	Hampshire	PO14 3QP	Freehold
7714	Devon	Kingswear Parade	Leeds	West Yorkshire	LS15 8LR	Freehold
7715	Devonshire Arms	405 Herries Road	Sheffield	South Yorkshire	S5 7HE	Leasehold
7717	Dog & Partridge	19 Bare Lane	Morecambe	Lancashire	LA4 6DE	Freehold
1065	Dog & Partridge	29 Crown Street	Bury St Edmunds	Suffolk	IP33 1QU	Freehold
4199	Dolphin	105 High Street, Melbourn	Royston	Hertfordshire	SG8 6AP	Freehold
1536	Dolphin	56 Totteridge Lane	High Wycombe	Buckinghamshire	HP13 7PZ	Freehold
4571	Dorset Arms	58 High Street	East Grinstead	West Sussex	RH19 3DE	Freehold
7719	Dragon	150 Whitehall Road	Leeds	West Yorkshire	LS12 4TJ	Freehold
3718	Drouthy Neebors	1 West Preston Street	Edinburgh	Midlothian	EH8 9PX	Freehold
1640	Drouthy’s	155 Queen Street	Glasgow	Lanarkshire	G1 3BJ	Freehold
7720	Druids Arms	24 Earl Street	Maidstone	Kent	ME14 1PP	Freehold
7721	Druids Head	3 Market Place	Kingston-Upon-Thames	Surrey	KT1 1JT	Freehold
1097	Duke of Cambridge	176 East Road	Cambridge	Cambridgeshire	CB1 1BG	Freehold
8615	Duke of Monmouth	260 Abingdon Road	Oxford	Oxfordshire	OX1 4TA	Freehold
7755	Duke of York	64-65 Victoria Road	Surbiton	Surrey	KT6 4NQ	Freehold
4151	Duncombe Arms	24 Railway Street	Hertford	Hertfordshire	SG14 1BA	Freehold
7723	Earl of Cornwall	Cippenham Lane	Slough	Berkshire	SL1 2XN	Leasehold
1558	Emporium	271 Fleet Road	Fleet	Hampshire	GU51 3QW	Freehold
7726	Endbutt	63-65 Endbutt Lane	Liverpool	Merseyside	L23 0TU	Freehold
4301	Estcourt Tavern	25 Estcourt Road	Watford	Hertfordshire	WD17 2PY	Freehold
7727	Ewe & Lamb	140 Luton Road	Dunstable	Bedfordshire	LU5 4LE	Freehold
3822	Exchange	38-40 Academy Street	Inverness	Inverness-Shire	IV1 1JT	Freehold
604	Farmers Arms	209 Stockport Road	Stockport	Cheshire	SK3 0LX	Freehold
7761	Farmers Arms	570 Lytham Road	Blackpool	Lancashire	FY4 1RF	Freehold
7762	Farmers Arms	2 Netherton Road	Wirral	Merseyside	CH46 7TR	Freehold
2851	Farmers Boy	Harrow Lane	Maidenhead	Berkshire	SL6 7PE	Freehold
7767	Festing	1A Festing Road	Southsea	Hampshire	PO4 0NG	Freehold
250	First & Last	Church Street	Dunstable	Bedfordshire	LU5 4HP	Freehold

3994	Fisherman’s Tavern	10-16 Fort Street, Broughty Ferry	Dundee	Angus	DD5 2AD	Freehold
7769	Flag	Arnold Road, Egerton	Bolton	Greater Manchester	BL7 9HL	Freehold
3922	Flying Scotsman	Broadloan	Renfrew	Renfrewshire	PA4 0DQ	Freehold
1106	Fort St George	Midsummer Common	Cambridge	Cambridgeshire	CB4 1HA	Freehold
3735	Foundry	3 Murray Street	Perth	Perth and Kinross	PH1 5PJ	Freehold
3736	Four Marys	65/67 High Street	Linlithgow	West Lothian	EH49 7ED	Freehold
3737	Four Mile Inn	Inverurie Road, Bucksburn	Aberdeen	Aberdeenshire	AB21 9BB	Freehold
4049	Fox & Hounds	178 Goldington Road	Bedford	Bedfordshire	MK40 3EB	Freehold
4108	Fox & Hounds	216 New Road, Croxley Green	Rickmansworth	Hertfordshire	WD3 3HH	Freehold
7775	Freshfield	Massams Lane	Liverpool	Merseyside	L37 7BD	Freehold
7776	Frog & Parrot	94 Division Street	Sheffield	South Yorkshire	S1 4GF	Freehold
1801	Frog & Railway	474 Didsbury Road	Stockport	Cheshire	SK4 3BS	Freehold
7978	Gardeners	Forsythia Close	Chelmsford	Essex	CM1 6XW	Freehold
3742	Gardenhall Inn	Gardenhall, Mossneuk	East Kilbride	Lanarkshire	G75 8SP	Freehold
1942	Gemini	Sandy Lane	Dereham	Norfolk	NR19 2EA	Freehold
7782	George	74 Bexley High Street	Bexley	Kent	DA5 1AJ	Mixed Tenure
7784	George & Dragon	14 London Road, Hazel Grove	Stockport	Greater Manchester	SK7 4AH	Freehold
7783	George & Dragon	1 Liverpool Road	Chester	Cheshire	CH2 1AA	Freehold
4050	George & Dragon	39 Mill Street	Bedford	Bedfordshire	MK40 3EU	Freehold
7787	George Abbot	7-11 High Street	Guildford	Surrey	GU2 4AB	Freehold
3744	Georgic	1097 Pollokshaws Road, Shawlands	Glasgow	Lanarkshire	G41 3YG	Freehold
3748	Globe Inn	13 North Silver Street	Aberdeen	Aberdeenshire	AB10 1RJ	Freehold
705	Golden Hind	Lisburne Lane, Offerton	Stockport	Cheshire	SK2 5RH	Freehold
7792	Golden Hind	384 Copnor Road	Portsmouth	Hampshire	PO3 5EN	Freehold
7793	Golden Lion	7 The Strand, Goring-By-Sea	Worthing	West Sussex	BN12 6DL	Freehold
7795	Good Companion	2 Eastern Road	Portsmouth	Hampshire	PO3 6ES	Freehold
4718	Governors House	43 Ravenoak Road, Cheadle Hulme	Cheadle	Cheshire	SK8 7EQ	Freehold
7733	Grainstore	69-76 Regent Street	Cambridge	Cambridgeshire	CB2 1AB	Freehold
3945	Granary	Dobies Building, Loreburn Street	Dumfries	Dumfries & Galloway	DG1 1HN	Freehold
3732	Granary	14-18 Thunderton Place	Elgin	Moray	IV30 1BG	Freehold
1107	Granta	14 Newnham Terrace	Cambridge	Cambridgeshire	CB3 9EX	Freehold
1072	Grapes	1 Brentgovel Street	Bury St Edmunds	Suffolk	IP33 1EA	Freehold
1109	Green Dragon	5 Water Street	Cambridge	Cambridgeshire	CB4 1NZ	Freehold
7798	Green Posts	371 London Road	Portsmouth	Hampshire	PO2 9HJ	Freehold
3973	Greenhills	Greenhills Square	East Kilbride	Lanarkshire	G75 8TT	Freehold

3752	Grove	8 Kelvingrove Street	Glasgow	Lanarkshire	G3 7RX	Freehold
7747	Guild	99 Fylde Road	Preston	Lancashire	PR1 2XQ	Freehold
7800	Guildford	95 Sutton Road	Southend-On-Sea	Essex	SS2 5PB	Freehold
7801	Guinea Butt	78 Calverley Road	Tunbridge Wells	Kent	TN1 2UJ	Freehold
7804	Halfway Inn	114 Winchester Road, Chandlers Ford	Eastleigh	Hampshire	SO53 2GJ	Freehold
3755	Hampton Hotel	14 Corstorphine Road	Edinburgh	Midlothian	EH12 6HN	Freehold
4192	Hansom Cab	Wigmore Lane, Stopsley	Luton	Bedfordshire	LU2 8AB	Freehold
7808	Hare & Hounds	162 Cheltenham Road East	Gloucester	Gloucestershire	GL3 1AL	Freehold
7810	Hatherley	293 Hatherley Road	Cheltenham	Gloucestershire	GL51 6HT	Freehold
1639	Holburn Bar	225 Holburn Street	Aberdeen	Aberdeenshire	AB10 6BL	Freehold
7818	Hop	2 King Street	Blackpool	Lancashire	FY1 3EJ	Freehold
7819	Hop & Kilderkin	303-305 Wimborne Road	Bournemouth	Dorset	BH9 2AA	Freehold
7822	Horsforth	57 Featherbank Lane, Horsforth	Leeds	West Yorkshire	LS18 4NA	Freehold
1482	Inn on the Green	The Green	Stanford Le Hope	Essex	SS17 0ER	Freehold
1111	Jenny Wren	St Kilda Avenue	Cambridge	Cambridgeshire	CB4 2QA	Freehold
7828	Jingling Gate	Stamfordam Road	Newcastle-Upon-Tyne	Tyne and Wear	NE5 1NL	Freehold
4740	John Gilbert	Worsley Brow, Worsley	Manchester	Greater Manchester	M28 2YA	Freehold
7830	Jolly Farmer	Andover Road	Winchester	Hampshire	SO22 6AE	Freehold
4187	Jolly Milliner	Icknield Way	Luton	Bedfordshire	LU3 2JR	Freehold
7831	Jolly Sailor	The Quay	Poole	Dorset	BH15 1HJ	Freehold
4741	Jolly Scotchman	Holdingham	Sleaford	Lincolnshire	NG34 8NP	Freehold
4194	Jolly Topers	369 Hitchin Road	Luton	Bedfordshire	LU2 7SP	Freehold
6657	Jude the Obscure	54 Walton Street	Oxford	Oxfordshire	OX2 6AE	Freehold
5119	Kensington	Kensington Drive, Great Holm	Milton Keynes	Buckinghamshire	MK8 9AN	Freehold
4332	Kingfisher	Elthorne Way, Green Park	Newport Pagnell	Buckinghamshire	MK16 0JR	Freehold
1077	Kings Arms	23 Brentgovel Street	Bury St Edmunds	Suffolk	IP33 1EB	Freehold
7835	Kings Arms	61-63 Crouch Street	Colchester	Essex	CO3 3EY	Freehold
7838	Kings Head	Gloucester Road, Upton St Leonards	Gloucester	Gloucestershire	GL4 8AA	Freehold
7837	Kings Head	149 Lower Cippenham Lane	Slough	Berkshire	SL1 5DS	Freehold
4746	Kings Ransom	Britannia Road	Sale	Greater Manchester	M33 2AA	Freehold
7840	Knowsley	46 Haymarket Street	Bury	Greater Manchester	BL9 0AY	Freehold
4748	Lady Bay	89 Trent Boulevard, West Bridgford	Nottingham	Nottinghamshire	NG2 5BE	Freehold

4369	Laings	8 Roseangle	Dundee	Angus	DD1 4LR	Freehold
406	Lansdown	Lansdown Road	Cheltenham	Gloucestershire	GL50 2LG	Freehold
7760	Lendal Cellars	26 Lendal	York	North Yorkshire	YO1 8AA	Leasehold
7844	Lighthouse	Wallasey Village	Wallasey	Merseyside	CH45 3LP	Freehold
7845	Lion & Unicorn	6 Church Road, Waterloo	Liverpool	Merseyside	L22 5NB	Freehold
7847	Lonsdale	Sandringham Road	Doncaster	South Yorkshire	DN2 5HY	Freehold
4757	Lord Darcy	618 Harrogate Road, Alwoodley	Leeds	West Yorkshire	LS17 8EH	Freehold
7249	Lullingstone Castle	2 High Street	Swanley	Kent	BR8 8BE	Freehold
4763	Lurcher	Westbrook Drive	Rainworth	Nottinghamshire	NG21 0FB	Freehold
3786	Ma Camerons	Little Belmont Street	Aberdeen	Aberdeenshire	AB10 1JG	Freehold
1076	Macebearer	Home Farm Lane	Bury St Edmunds	Suffolk	IP33 2RH	Freehold
7851	Malt Shovel	21 Crab Lane	Leeds	West Yorkshire	LS12 3AG	Freehold
7852	Malt Shovel	Wembdon Road	Bridgwater	Somerset	TA6 7DN	Freehold
1635	Maltman	59-61 Renfield Street	Glasgow	Lanarkshire	G2 1LF	Freehold
1746	Man on the Moon	86 Palmcroft Road	Ipswich	Suffolk	IP1 6QX	Freehold
7856	Manor House	43 Court Lane	Portsmouth	Hampshire	PO6 2LJ	Freehold
7858	Marlow Donkey	Station Road	Marlow	Buckinghamshire	SL7 1NW	Freehold
7859	Masons Arms	646 Prescot Road, Old Swan	Liverpool	Merseyside	L13 5XE	Freehold
7860	Masons Arms	Bawtry Road, Wickersley	Rotherham	South Yorkshire	S66 1JY	Freehold
3793	McCabes	80 Main Street	Largs	Ayrshire	KA30 8AL	Freehold
4770	Meadow Covert	Alford Road, Edwalton	Nottingham	Nottinghamshire	NG12 4AT	Freehold
1652	Merlin	168-172 Morningside Road	Edinburgh	Midlothian	EH10 4PU	Freehold
6667	Merlin	Drove Road	Swindon	Wiltshire	SN1 3AF	Freehold
5251	Messenger	5 Covingham Square	Swindon	Wiltshire	SN3 5AA	Leasehold
5264	Midget	Midget Close	Abingdon	Oxfordshire	OX14 5NR	Freehold
3795	Millcroft	24 Mill Street, Rutherglen	Glasgow	Lanarkshire	G73 2NA	Leasehold
1641	Molly Malones	11 Maxwell Place	Stirling	Stirling	FK8 1JU	Freehold
3797	Molly Malone’s	224 Hope Street	Glasgow	Lanarkshire	G2 2UG	Freehold
7866	Monks Brook	19 Hursley Road, Chandlers Ford	Eastleigh	Hampshire	SO53 2FS	Freehold
3798	Montford House	23-27 Curtis Avenue, Kings Park	Glasgow	Lanarkshire	G44 4QD	Freehold
7774	Monument	Whitecross Road	Hereford	Hereford & Worcester	HR4 0LT	Leasehold
7867	Mount Radford	73-75 Magdalen Road	Exeter	Devon	EX2 4TA	Freehold
4278	Mulberry Tree	60 High Street	Stevenage	Hertfordshire	SG1 3EA	Freehold
7751	Museum	25 Orchard Square	Sheffield	South Yorkshire	S1 2FB	Mixed Tenure
4776	Nabb Inn	Nabbs Lane	Hucknall	Nottinghamshire	NG15 6NT	Freehold

7884	Nags Head	37 Welling High Street	Welling	Kent	DA16 1TR	Freehold
7870	National Hunt	Benhall Avenue	Cheltenham	Gloucestershire	GL51 6AF	Freehold
7872	New Derby	Roker Baths Road	Sunderland	Tyne and Wear	SR6 9TA	Freehold
7873	New Inn	68 Otley Road	Leeds	West Yorkshire	LS6 4BA	Freehold
7752	No 2 Baker Street	2 Baker Street	Stirling	Stirling	FK8 1BJ	Freehold
3806	Northern Bar	325 George Street	Aberdeen	Aberdeenshire	AB25 1EE	Freehold
7876	Norwood Arms	Leckhampton Road	Cheltenham	Gloucestershire	GL53 0AX	Freehold
3808	O Brians	56 Smith Street	Ayr	Ayrshire	KA7 1TF	Freehold
1341	Oak	43 Ipswich Street	Stowmarket	Suffolk	IP14 1AH	Freehold
5287	Oak	118 Park Road	Didcot	Oxfordshire	OX11 8QR	Freehold
3963	Old Bank Bar	34 Reform Street	Dundee	Angus	DD1 1RH	Freehold
3948	Old Bank Bar	11 William Street	Greenock	Renfrewshire	PA15 1BT	Freehold
3809	Old Blackfriars	52 Castlegate	Aberdeen	Aberdeenshire	AB11 5BB	Freehold
3970	Old Brewery	20 East Vennel	Alloa	Clackmannanshire	FK10 1ED	Freehold
7881	Old Five Bells	14 Church Street, Burnham	Slough	Buckinghamshire	SL1 7HZ	Freehold
7883	Old House At Home	73 Burton Road	Withington	Greater Manchester	M20 1HB	Freehold
4381	Old Post Office Bar	29-31 High Street	Linlithgow	West Lothian	EH49 7AB	Freehold
1481	Old Punch Bowl	101 High Street	Crawley	West Sussex	RH10 1DD	Freehold
3080	Old Rep	Tower Street	Ipswich	Suffolk	IP1 3BE	Leasehold
7759	Old Schoolhouse	287-315 Woodlands Road	Glasgow	Lanarkshire	G3 6NG	Freehold
175	Old Swan	8 Shenley Road, Bletchley	Milton Keynes	Buckinghamshire	MK3 6EZ	Freehold
5274	Old White Hart	London Road	Hook	Hampshire	RG27 9DJ	Freehold
1034	Orange Tree	Cressing Road	Braintree	Essex	CM7 3PH	Freehold
8642	Osborne Inn	54 Shirley Road	Southampton	Hampshire	SO15 3EX	Freehold
1449	Otter	12 The Square, Drayton	Norwich	Norfolk	NR8 6XE	Freehold
7748	Outlook	76-78A Kings Road	Reading	Berkshire	RG1 3BJ	Freehold
3047	Owl & Pussycat	Grange Farm Avenue	Felixstowe	Suffolk	IP11 2XD	Leasehold
4834	Peacock	Southchurch Drive, Clifton	Nottingham	Nottinghamshire	NG11 9FB	Freehold
7893	Penny Black	Pond Hill	Sheffield	South Yorkshire	S1 2BG	Leasehold
7895	Pheasant	108 Gelderd Road, Birstall	Batley	West Yorkshire	WF17 9LP	Freehold
4382	Picture House	12 Hume Street	Montrose	Angus	DD10 8JD	Freehold
3782	Picture House	39 Main Street	Rutherglen	Lanarkshire	G73 2JF	Freehold
115	Pied Calf	20 Sheepmarket	Spalding	Lincolnshire	PE11 1BE	Freehold
5107	Pied Piper	Oaks Cross	Stevenage	Hertfordshire	SG2 8LU	Leasehold
7806	Pippin	78 London Road	Maidstone	Kent	ME16 0DR	Freehold

7904	Pond House	53 Bath Road	Maidenhead	Berkshire	SL6 4AL	Mixed Tenure
7906	Portsbridge	Portsmouth Road, Cosham	Portsmouth	Hampshire	PO6 2SJ	Freehold
3825	Post Office Bar	218 Queen Street	Broughty Ferry	Angus	DD5 2HG	Freehold
7909	Prince Frederick	31 Nichol Lane	Bromley	Kent	BR1 4DE	Freehold
3995	Prince of Wales	7 St Nicholas Lane	Aberdeen	Aberdeenshire	AB10 1HF	Freehold
1118	Prince Regent	91 Regent Street	Cambridge	Cambridgeshire	CB2 1AW	Freehold
7911	Priory	Ashby Road	Scunthorpe	North East Lincolnshire	DN16 2AB	Freehold
7913	Pump House	Albert Dock	Liverpool	Merseyside	L3 4AN	Leasehold
4297	Punch House	7 West Street	Ware	Hertfordshire	SG12 9EE	Freehold
7728	Queen Victoria	133-139 Victoria Road	Aldershot	Hampshire	GU11 1JW	Freehold
7915	Queens Head	Front Street	Chester-Le-Street	Durham	DH3 3BJ	Freehold
3832	Rabbies	23 Burns Statue Square	Ayr	Ayrshire	KA7 1SU	Freehold
4847	Railway	Bridge Street	Buxton	Derbyshire	SK17 6BS	Freehold
7920	Railway	Station Road	Burgess Hill	West Sussex	RH15 9DQ	Freehold
7922	Railway	College Street	Burnham-On-Sea	Somerset	TA8 1AS	Freehold
7671	Red Cat	Greasby Road, Greasby	Wirral	Merseyside	CH49 3AT	Freehold
4158	Red Hart	29 Bucklersbury	Hitchin	Hertfordshire	SG5 1BG	Freehold
2446	Red House	Watford Road, Croxley Green	Rickmansworth	Hertfordshire	WD3 3DX	Freehold
7926	Red Lion	27 High Street	Skipton	North Yorkshire	BD23 1DT	Freehold
7929	Red Lion	37-38 Priestgate	Darlington	Durham	DL1 1NG	Freehold
4274	Red Lion	80 High Street	Stevenage	Hertfordshire	SG1 3DW	Freehold
7932	Red Lion	Gosport Road, Stubbington	Fareham	Hampshire	PO14 2LD	Freehold
7931	Red Lion	1 West Street, Portchester	Fareham	Hampshire	PO16 9XB	Leasehold
2106	Red Lion	1 St Marys Road	Slough	Berkshire	SL3 7EN	Freehold
7935	Red Lion	41 The Green, Wooburn Green	High Wycombe	Buckinghamshire	HP10 0EU	Freehold
7937	Red Rover	Salisbury Road, West Wellow	Romsey	Hampshire	SO51 6BW	Freehold
1661	Rhoderick Dhu	21-23 Waterloo Street	Glasgow	Lanarkshire	G2 6BZ	Freehold
7938	Richmond Arms	153 Charminster Road	Bournemouth	Dorset	BH8 8UH	Freehold
7939	Ring O'Bells	Village Road, West Kirby	Wirral	Merseyside	CH48 7HE	Freehold
7942	Robert De Mortain	371-373 The Ridge	Hastings	East Sussex	TN34 2RD	Freehold
7943	Robin Hood	19 Market Street, Tottington	Bury	Greater Manchester	BL8 4AA	Freehold
1119	Rock	200 Cherry Hinton Road	Cambridge	Cambridgeshire	CB1 7AW	Freehold
7945	Romiley Arms	Compstall Road, Romiley	Stockport	Greater Manchester	SK6 4BN	Freehold
7946	Rose & Crown	2-6 Cockey Moor Road	Bury	Greater Manchester	BL8 2HB	Freehold
8650	Rose & Crown	73 High Street, Rushden	Northampton	Northamptonshire	NN10 0QE	Freehold

7948	Rose & Crown	31 Mill Lane	Woodford Green	Essex	IG8 0UG	Freehold
7947	Rose & Crown	152 Ledbury Road	Hereford	Hereford & Worcester	HR1 1RG	Freehold
6090	Rose & Thistle	43 Argyle Road	Reading	Berkshire	RG1 7YL	Freehold
3802	Royal Bar	1 George Street	Bathgate	West Lothian	EH48 4PH	Freehold
7953	Royal Oak	440 Barlow Moor Road	Chorlton-Cum-Hardy	Greater Manchester	M21 0BQ	Freehold
6068	Royal Oak	111 High Street	Marlborough	Wiltshire	SN8 1LT	Freehold
7951	Royal Oak	Royal Oak Passage	Winchester	Hampshire	SO23 9AU	Freehold
7952	Royal Oak	Charlton Road, Charlton	Andover	Hampshire	SP10 4AJ	Freehold
5288	Royal Oak	27 Reading Road	Yateley	Hampshire	GU46 7UG	Freehold
6690	Royal Standard	78 London Road, Headington	Oxford	Oxfordshire	OX3 9AJ	Freehold
5289	Royal Standard	115 Frimley Road	Camberley	Surrey	GU15 2PP	Freehold
7957	Rudds Arms	Stokesley Road, Marton-In-Cleveland	Middlesborough	North Yorkshire	TS7 8BG	Freehold
1447	Sandmartin	Drake Road, Chafford Hundred	Grays	Essex	RM16 6PP	Freehold
7959	Sandpiper	97 Bure Lane	Christchurch	Dorset	BH23 4DN	Freehold
7963	Sefton Arms	1 Mill Lane, West Derby	Liverpool	Merseyside	L12 7HX	Freehold
3980	Seven Kings	32-42 Bridge Street	Dunfermline	Fife	KY12 8DA	Freehold
3358	Shakespeare	68 Prince Street	Bristol	City of Bristol	BS1 4QD	Freehold
7965	Shakey	196 Bradfield Road	Sheffield	South Yorkshire	S6 2BY	Freehold
4881	Shepley Spitfire	Mickley Lane, Totley	Sheffield	South Yorkshire	S17 4HE	Freehold
7969	Ship	1-3 Martins Lane	Exeter	Devon	EX1 1EY	Freehold
4057	Ship	7 St Cuthberts Street	Bedford	Bedfordshire	MK40 3JB	Freehold
7970	Ship Anson	10 The Hard	Portsmouth	Hampshire	PO1 3DT	Freehold
5293	Silver Birch	Liscombe	Bracknell	Berkshire	RG12 7DE	Freehold
7972	Silver Fern	19 Warsash Road, Warsash	Southampton	Hampshire	SO31 9HW	Freehold
4877	Sir John Warren	Market Place	Ilkeston	Derbyshire	DE7 5QB	Freehold
7973	Skyrack	2 St Michaels Road	Leeds	West Yorkshire	LS6 3AW	Leasehold
3854	Smiddy Bar	309 Dumbarton Road	Glasgow	Lanarkshire	G11 6AL	Freehold
4371	Smiddy Inn	Ben Lawers Drive	Cumbernauld	Lanarkshire	G68 9DN	Freehold
3993	Snaffle Bit	979 Sauchiehall Street	Glasgow	Lanarkshire	G3 7TQ	Freehold
7662	Speckled Hen	Hatfield Road	St Albans	Hertfordshire	AL4 0XG	Freehold
7977	Spice Island	1 Bath Square	Portsmouth	Hampshire	PO1 2JL	Freehold
5294	Sportsman	201 Shinfield Road	Reading	Berkshire	RG2 7DS	Freehold
1091	Spread Eagle	Out Westgate	Bury St Edmunds	Suffolk	IP33 2DE	Freehold
5296	Spread Eagle	Norfolk Road	Reading	Berkshire	RG30 2EG	Freehold

7979	Spyglass & Kettle	2 Woodside	Gillingham	Kent	ME8 0PG	Freehold
1478	Stag	63 High Street	Ascot	Berkshire	SL5 7HP	Freehold
7982	Star	1 The Broadway	Haywards Heath	West Sussex	RH16 3AQ	Freehold
3500	Star	86 Hanham Road, Kingswood	Bristol	Gloucestershire	BS15 8NP	Freehold
7983	Star & Garter	230 Copnor Road	Portsmouth	Hampshire	PO3 5DB	Freehold
3867	Starbank Inn	64 Laverockbank Road, Newhaven	Edinburgh	Midlothian	EH5 3BZ	Freehold
7985	Station	1 Station Approach	Knebworth	Hertfordshire	SG3 6AT	Freehold
1590	Station	43 New Town	Uckfield	East Sussex	TN22 5DL	Freehold
7986	Strawberry	228 Abbey Road	Barrow-In-Furness	Cumbria	LA14 5LD	Freehold
3991	Stumps	7 Peel Street	Glasgow	Lanarkshire	G11 5LL	Freehold
4885	Sun Inn	6 Derby Road	Eastwood	Nottinghamshire	NG16 3NT	Freehold
7735	Surrey Yeoman	220-222 High Street	Dorking	Surrey	RH4 1QR	Freehold
7756	Sutton Arms	60-62 High Street	Sutton	Surrey	SM1 1EZ	Freehold
7991	Swan	123 High Street	Brentwood	Essex	CM14 4RX	Freehold
3910	Tappit Hen	Kirk Street	Dunblane	Perth and Kinross	FK15 0AL	Freehold
7993	Taps	12 Henry Street	Lytham St Annes	Lancashire	FY8 5LE	Leasehold
4889	Test Match Hotel	Gordon Square, West Bridgford	Nottingham	Nottinghamshire	NG2 5LP	Freehold
7994	Testwood	Salisbury Road, Totton	Southampton	Hampshire	SO40 3ND	Freehold
7996	Three Elms	1 Canon Pyon Road	Hereford	Hereford & Worcester	HR4 9QQ	Freehold
5299	Three Frogs	London Road	Wokingham	Berkshire	RG40 1SW	Freehold
4895	Three Ponds	Kimberley Road, Nuthall	Nottingham	Nottinghamshire	NG16 1DA	Freehold
1093	Tollgate	142 Fornham Road	Bury St Edmunds	Suffolk	IP32 6AX	Freehold
4380	Trades House	40 Nethergate	Dundee	Angus	DD1 4ET	Freehold
7998	Travellers Rest	49 Hill Top Road	Leeds	West Yorkshire	LS12 3PY	Freehold
8002	Tredegar Arms	4 Caerphilly Road, Bassaleg	Newport	Gwent	NP10 8LE	Freehold
3918	Turf Hotel	32 Eglinton Street	Irvine	Ayrshire	KA12 8AS	Freehold
8005	Tut N Shive	6 West Laithe Gate	Doncaster	South Yorkshire	DN1 1SF	Freehold
3964	Twa Tams	79-81 Scott Street	Perth	Perth and Kinross	PH2 8JR	Freehold
8007	Two Brewers	Thornwell Road	Chepstow	Gwent	NP16 5NS	Freehold
5301	Two Poplars	118 Finchampstead Road	Wokingham	Berkshire	RG41 2NU	Freehold
8008	Unicorn	225 Clayhall Avenue	Ilford	Essex	IG5 0NY	Freehold
8009	Uplands Tavern	42 Uplands Crescent, Uplands	Swansea	West Glamorgan	SA2 0PG	Freehold
8011	Victoria	Oxford Street	Barrow-In-Furness	Cumbria	LA14 5QL	Freehold
3992	Victoria Bar	106 Shore Street	Gourock	Renfrewshire	PA19 1PG	Freehold
6098	Vintners Parrot	10-12 Warwick Street	Worthing	West Sussex	BN11 3DL	Freehold

6116	Wackum Inn	533 Whitehall Road	Bristol	Avon	BS5 7DA	Freehold
8013	Walkford	16 Walkford Road, Walkford	Christchurch	Dorset	BH23 5QF	Freehold
8016	Washington	Topping Street	Blackpool	Lancashire	FY1 3AF	Freehold
6516	Waterfront Inn	43 Mere Street	Diss	Norfolk	IP22 4AG	Freehold
8017	Waterside	Ferry Road	Shoreham-By-Sea	West Sussex	BN43 5RA	Freehold
8758	Welcome	154 Fair Oak Road	Eastleigh	Hampshire	SO50 8LP	Freehold
8019	Wellington	338 Bolton Road	Bury	Greater Manchester	BL8 2PP	Freehold
8020	Wellington	10 The Village, Bebington	Wirral	Merseyside	CH63 7PW	Freehold
8660	West End Brewery	59 High Street, West End	Southampton	Hampshire	SO30 3DQ	Leasehold
8022	Westbourne	45 Poole Road	Bournemouth	Dorset	BH4 9DN	Freehold
8023	Westdale	70 Westdale Lane, Carlton	Nottingham	Nottinghamshire	NG4 3NA	Freehold
3935	Whey Pat Tavern	1 Bridge Street	St Andrews	Fife	KY16 9EX	Freehold
1643	White Hart	32-34 Grassmarket	Edinburgh	Midlothian	EH1 2JU	Freehold
4075	White Hart	22-24 Market Square	Biggleswade	Bedfordshire	SG18 8AR	Freehold
8028	White Hart	195 Stoke Road	Gosport	Hampshire	PO12 1SE	Freehold
6702	White Horse	Churchill Road	Bicester	Oxfordshire	OX26 4UA	Freehold
5307	White Horse	189 Ock Street	Abingdon	Oxfordshire	OX14 5DW	Freehold
6102	White Horse	9 Kidmore End Road, Emmer Green	Reading	Berkshire	RG4 8SD	Freehold
4518	White Lion	London Road	Sawbridgeworth	Hertfordshire	CM21 9EN	Freehold
5311	White Swan	10 Swan Lane	Sandhurst	Berkshire	GU47 9BU	Freehold
1644	Wild Boar	19 Belmont Street	Aberdeen	Aberdeenshire	AB10 1JR	Freehold
8036	William Camden	Avenue Road	Bexleyheath	Kent	DA7 4EQ	Freehold
3002	Willow	Hodings Road	Harlow	Essex	CM20 1NN	Leasehold
423	Wiltshire Yeoman	Chilmark Road	Trowbridge	Wiltshire	BA14 9DD	Freehold
6058	Windmill	Upminster Road	Upminster	Essex	RM14 2RB	Freehold
8039	Windmill	Village Centre, Freshbrook	Swindon	Wiltshire	SN5 8LY	Leasehold
8040	Woodies Craft Ale House	104 Otley Road	Leeds	West Yorkshire	LS16 5JG	Freehold
4925	Ye Olde Trip to Jerusalem	1 Brewhouse Yard	Nottingham	Nottinghamshire	NG1 6AD	Mixed Tenure
4077	Yorkshire Grey	140 London Road	Biggleswade	Bedfordshire	SG18 8EL	Freehold

Freehold	375
Leasehold	23
Mixed Teunure	6
Total	404

THE UNITED KINGDOM PUB INDUSTRY

Industry Background

The Securitisation Group operates in the United Kingdom pub sector, which is itself part of the wider drinking out and eating out market (which also includes restaurants, social clubs, nightclubs and fast food outlets). With approximately 50,000 licensed public houses and clubs ("**pubs**"), going to pubs, clubs and bars continues to be one of the most popular leisure activities in the United Kingdom. In 2015, the annual sales of the United Kingdom pub sector were forecasted to be of the order of £22 billion. The United Kingdom pub sector has various business models: managed pubs, leased and tenanted pubs and individual, independently owned pubs. There are currently approximately 9,000 managed pubs, 21,000 leased and tenanted pubs and 17,000 independently owned pubs and 3,000 social clubs operating in the United Kingdom (source: *Allegra Food service – The UK Pub Market 2015*).

Managed pubs are generally owned by a pub company or brewer and operated by a salaried manager and staff employed by the owning company which prescribes the entire product range and detail of service style. They tend to be larger than leased/tenanted pubs and individual, independently owned pubs and have a higher average weekly turnover ("**AWT**").

Leased/tenanted pubs tend to be smaller and are owned by a pub company or brewer but leased to and therefore operated by a third party tenant or lessee, who pays rent to the owner, is generally responsible for the maintenance of the pub, and is normally contracted to purchase the majority of drink products (in particular, beer) for resale from the owner. These pubs have a lower AWT and typically have a higher share of draught beer sales than managed pubs.

Individual pubs (sometimes known as freehouses) are independently owned and operated by a private individual, who is responsible for the maintenance of the pub and retains any profits after the expenses of running the pub. The owner is free to decide which products to sell.

Market Trends

The total value of the United Kingdom pub market was forecast to reach £21.9bn in 2015 and grow at 2.7 per cent. per annum between 2015 and 2018. This is driven by same-site sales growth and, within this, by the managed and branded chains, which were forecast to grow at 4.9 per cent. per annum between 2015 and 2018 (source: *Allegra Food service – The UK Pub Market 2015*).

With customers seeking good value food and drink pubs are evolving their offers to meet this demand and in the last quarter of 2014 84 per cent. of adults in the United Kingdom visited pubs for meals or snacks. Pubs are increasingly catering for occasions throughout the day and breakfast now accounts for 15 per cent. of pubs visits, an increase of 5 per cent. percentage points versus last year. Across all day-parts the main customer reason for visiting the pub is a 'treat or special occasion', particularly at dinner where this accounts for 40 per cent. of visits (source: *Allegra Food service – The UK Pub Market 2015*).

Market Factors

The key market drivers shaping the future of the United Kingdom drinking out and eating out market are:

- *economic climate*
  - the pub sector is influenced by the economic climate through economic growth (or decline) and the effect of this, principally on employment and consumer incomes; on consumer confidence and the propensity of consumers to spend rather than save; and, in particular, overall changes in the level of consumer expenditure;

- *socio-economic climate*
  - the aging UK population is generally positive for the pub sector and pub restaurants' percentage share of visits tends to increase with age. Specific mealtimes are particular beneficiaries with the 50+ age group accounting for over half of all meals at dinner time;
  - the decline in the consumption of alcohol (both in and outside of the home) across most age groups has contributed to the increased focus on food in pubs and the widening of product ranges (source: *Allegra Food service – The UK Pub Market 2015*). For example, many pubs now serve hot beverages such as coffee;
  - as a result of a broader product offering and trends away from alcohol consumption, pubs have a much wider customer appeal and now attract a mix of families and friends alike from a variety of cultures and demographics. The reduced reliance on alcohol has also encouraged a more female customer base and in 2014 females accounted for 53 per cent. of pub visits (source: *Allegra Food service – The UK Pub Market 2015*);
  - the effect of the credit crunch and recession from 2008 to 2012 has been to instil a higher consumer value perception and awareness which, when combined with a low inflationary environment, has led to a much more difficult eating and drinking out market in which to put through price increases;
- *branding*
  - branded managed pubs have been a key driver of sector growth – by offering consistency in product quality and service standards, these pubs aim to attract new customers, drive customer loyalty and increase visit frequency. This facilitates further expansion leading to scale benefits and enhanced financial strength;
- *competition*
  - the UK pub market has declined by 4,480 outlets since 2010. However, this has been led by tenanted and leased and independent pubs and the number of managed and branded pubs has increased by a net 1,571 pubs over the same period with outlet expansion forecast to continue (source: *Allegra Food service – The UK Pub Market 2015*). As a result of an increased focus on food and a broader customer offer, pubs are increasingly competing with the wider eating and drinking out market for a share of the customer wallet including competing with casual dining restaurants, fast food outlets and coffee shops;
- *regulation*
  - regulatory issues continue to influence the pub sector in the United Kingdom, including employment legislation, drink-driving legislation, duty legislation, legislation governing relationships between landlords and tenants, potential rate reform legislation and the potential for increased regulation around soft drinks;
- *technology*
  - the digitalisation of leisure means consumers now expect to be able to order from home, they can put complaints and compliments about the service they have received in real time; and they can respond to digital offers and promotions.

Regulatory Environment

General

In addition, please also see the risk factor entitled "*Small Business, Enterprise and Employment Act*".

Competition Law

All vertical agreements which do not have an effect on trade between Member States, including tenancy/lease agreements which contain beer supply arrangements, are subject to the Chapter I prohibition in the Competition Act 1998 ("**Chapter I prohibition**").

However, provided the tenancy/lease agreements do not contain any hard core restrictions of competition law (such as resale price maintenance provisions) they may be exempt from the Chapter I prohibition through the parallel application of European Commission Regulation No (EU) No 330/2010 ("**Vertical Restraints Block Exemption**").

The Vertical Restraints Block Exemption exempts agreements from the application of Article 81(1) of the Treaty on the Functioning of the European Union and, through parallel exemption, the Chapter I prohibition provided, *inter alia,* the supplier and the buyer's respective shares of the relevant market remains below 30 per cent.

The European Commission has the power to withdraw the benefit of the Vertical Restraints Block Exemption where there are parallel networks of agreements containing similar restrictions which cover more than 50 per cent. of a relevant market. The European Commission has not indicated any intention of withdrawing the benefit of the block exemption to beer supply arrangements in Great Britain.

The Vertical Restraints Block Exemption, as currently in force, will exempt The Securitisation Group's tenancy/lease agreements for so long as Greene King and the tenant's respective shares on the relevant market remains below 30 per cent., and the tenancy/lease agreements do not contain any of the hard core restrictions of competition identified in the Vertical Restraints Block Exemption (such as resale price maintenance).

The Vertical Restraints Block Exemption expires on 31 May 2022. The European Commission has not indicated any intention of narrowing the scope of any successor block exemption, in relation to beer supply arrangements in Great Britain.

Drink Driving

The European Commission recommended in the "White Paper on European transport policy for 2010: time to decide" of October 2002 that all countries in the EU adopt the same drink and drive limit of 0.5mg/ml blood alcohol concentration. It recommends that a lower level of 0.2mg/ml be adopted for younger and inexperienced drivers. The Scottish Government reduced the limit from 0.8mg/ml to 0.5mg/ml with effect from 5 December 2014, however the current legal limit in England and Wales remains 0.8mg/ml (see sections 11(1) and (21) of the Road Traffic Act 1988). It is not known if or when the UK Government will follow in the Scottish Government's footsteps. However, as car drivers and passengers account for 40 per cent. of pub visits, any such measure may discourage customers who drive to pubs from visiting pubs.

Employment Legislation

The Securitisation Group's businesses are subject to risks in connection with changes to employment laws whether by government legislation or by decisions of the courts that are changing the interpretation of existing legislation which impacts businesses in the UK.

See the section entitled "*Risk Factors – Considerations relating to the Business Operations of the Securitisation Group – Certain changes to regulation affecting the cost base*" above.

Legislation relating to gambling

The Gambling Act 2005 includes explicit monetary limits on stakes and prizes, as well as social responsibility provisions requiring close supervision of games. See the section entitled "*Risk Factors – Considerations relating to the Business Operations of the Securitised Group – Violation of or change in gambling laws*".

Conclusion

There will be continued activity in the United Kingdom pub sector due to changing consumer and industry trends and the changes in the regulatory environment.

DESCRIPTION OF THE BUSINESS

In this section, when describing the business and operations conducted by Greene King and its subsidiaries (including GKB&R and the Initial Borrower), reference is made to the GK Group. The term GK Group is also used when describing historical activities and strategy. The term Initial Borrower has been used when describing business and operations carried on as of the date of this Prospectus.

Overview

The GK Group is a UK operator of managed and tenanted pubs, and a brewer of ales for sale in the UK and overseas. Its pub estate (the "**Estate**") as at the date of this Prospectus comprises 3,054 sites spread throughout the UK. As at 18 October 2015 the book value of the assets of the GK Group (excluding intangible and current assets) was £3,654.2m. Before the acquisition of Spirit Pub Company plc, the GK Group generated EBITDA of £319.0m and operating profits of £256.2m (before exceptional items) on revenues of £1,315.3m in the 52 weeks ending 3 May 2015. The annual run-rate EBITDA for the assets comprising the Securitisation Estate was £230.9m as at 10 January 2016. In its last full financial year for the 52 weeks to 22 August 2015, Spirit Pub Company generated EBITDA of £158m and operating profits of £119.4m (before exceptional items) on revenues of £814.2m. The annual run-rate EBITDA includes £2.5m of expected cost synergies of which £0.9m has been realised and a further £1.6m which is expected to be generated in the next 12 month period.

In the 24 weeks to 18 October 2015, the GK Group generated EBITDA of £223.9m and operating profits of £180.2m (before exceptional items) on revenue of £917.7m.

The GK Group currently employs 42,000 people, half of whom are under 25.

Securitisation Group 52 weeks ending 10 January 2016	**Managed**	**Tenanted**	**Total**
	£m	**£m**	**£m**
Turnover	694.4	113.3	807.7
Run rate EBITDA - including central overheads and synergy	172.4	58.5	230.9

Brief History

The GK Group has been brewing beer and operating pubs for over 200 years. Founded in 1799 by Benjamin Greene, it has grown steadily from its base in Bury St. Edmunds, Suffolk to become a leading pub retailer and ale brewer.

Acquisitions over the last 15 years have included Old English Inns plc (136 pubs in 2001), Morrells of Oxford (107 pubs in 2002), the Laurel Neighbourhood Estate (432 pubs in 2004), Ridleys (73 pubs in 2005), Belhaven (283 pubs in Scotland in 2005), Hardys & Hansons plc (268 pubs in 2006), Loch Fyne Restaurants (36 seafood restaurants in 2007), Cloverleaf Restaurants Limited (11 pubs in 2011), RealPubs (14 pubs in London in 2011), Capital Pub Company plc (33 pubs in London in 2011) and Spirit Pub Company plc (around 1200 pubs in 2015).

In the last five years Greene King has also begun to build its own new pubs (52 since 2 May 2011 to 3 May 2015).

Over the same period, Greene King has helped to improve the overall quality of its estate by disposing of a number of non-core, tail-end pubs that Greene King believed did not have a long-term future of growth and value creative returns on capital. Since 2010, Greene King has disposed of 785 pubs from its tenanted and leased business, Pub Partners, including a tranche of 275 pubs sold to Hawthorn Leisure for £75.6m in 2014.

These acquisitions, developments and disposals have resulted in a high quality estate comprising properties which tend to be freeholds and long leaseholds (the estate is split 83 per cent. freehold and long leasehold, 17 per cent. short leasehold as at 18 October 2015) that: are well invested in; are sited in economically healthy areas; are capable of long-term growth; have a strong individual local identity, supported where necessary by quality branding; have a flexible trading profile which appeals to a broad range of consumers at different times of the week; have a high quality offer which is relevant to local market dynamics; and do not trade on price but on value.

Group Structure

Greene King is the ultimate parent company within the GK Group. The current structure of the GK Group is shown in the section entitled "*Corporate Structure of the Greene King Group*" above.

Greene King holds the entire issued share capital of, amongst other companies, the Securitisation Group Parent. The Securitisation Group Parent is the intermediate holding company of the Initial Borrower. The Initial Borrower will be the immediate shareholder of each of the Sapphire Companies. Outside the Securitisation Group, the GK Group operates a brewing and retailing business through GKB&R which owns all pub properties comprised in the Estate excluding the Securitisation Estate (the "**Non-Securitisation Estate**") and a restaurant business through Premium Dining Restaurants and Pubs Limited.

The Initial Borrower has entered into the IP Licences with GKB&R in respect of intellectual property rights and has also entered into the other Services Agreements with GKB&R for the provision of goods and services including employment and management services required for the operation of the Securitisation Estate (see the section entitled "*Services Agreements*" below).

Strategy

The GK Group vision is to be the leading pub company in the UK, in the eyes of its customers, its employees and its shareholders. In order to achieve this vision, the GK Group continually refines its operations to meet its customers' changing demands and adapts to developments in market structures, supported by an operational focus on delivering industry leading value, service and quality. The GK Group concentrates on those segments of the hospitality and drinks markets in which it can achieve a combination of long-term sustainable improvement in returns, earnings and dividends. The GK Group is also rationalising its combined retail estate of around 1,800 pubs, restaurants and hotels from around 20 brands and formats to 10, focused on five key growth brands and formats (Hungry Horse, Flaming Grill, Farmhouse Inns, Chef & Brewer and Metropolitan) supported by a large, Greene King branded local pubs estate, its hotels business and Loch Fyne Seafood & Grill.

The GK Group operates an integrated business, which enables it to deploy expertise and investment capital effectively within the group, and is an important component of the historic consistent growth it has achieved.

The GK Group's focus on operating high quality pubs and beer brands enables the provision of stable cashflows with scope for further investment-driven returns and organic profit growth.

The fact that the GK Group operates both managed and tenanted estates enables it to optimise profitability by transferring assets from one to another to best meet local market conditions rather than having to dispose of fundamentally sound properties with a long-term future of growth and returns.

Business

The GK Group currently operates via three trading divisions: "Pub Company", comprising managed pubs in England, Wales and Scotland, "Pub Partners" (which operates tenanted and leased pubs in England, Wales and Scotland) and "Brewing & Brands" (which operates a brewing business in England and Scotland).

Greene King Pub Company

Greene King Pub Company operates the pubs and restaurants being run under direct management. Results for the 52 weeks to 3 May 2015 showed revenue rising by 5.9 per cent. to £1,000.7m. Operating profit also increased by 3.6 per cent. to £190.8m. Operating margin fell 0.4 percentage points to 19.1 per cent. Following the year end Greene King acquired Spirit Pub Company plc, and its managed estate now forms part of Greene King Pub Company. In the 24 weeks to 18 October 2015, the combined Greene King and Spirit retail estates achieved revenue of £740.2m and operating profit of £137.4m. The operating margin was 18.6 per cent. Food is fastest growing category accounting for 42% of retail sales in the 52 weeks to 3 May 2015.

The Securitisation Estate will, as at the Fourth Closing Date, contain 773 Greene King Pub Company pubs.

The main retail brands and formats within Greene King Pub Company are:

Hungry Horse

This retail brand became part of the GK Group with the acquisition of Magic Pub Company in 1996. These pub restaurants (numbering 244 as at 18 October 2015) are located in suburban community and popular sites where the barrier to entry for potential competitors is high. As at the Fourth Closing Date, there will be 168 Hungry Horse pubs in the Securitisation Estate.

Flaming Grill

There were 142 properties operating under this brand, some with letting accommodation, as at 18 October 2015. The pubs are characterised by attractive locations, large gardens, traditional English furnishings and individual pub names. Although there will be no such pubs in the Securitisation Estate as at the Fourth Closing Date, Flaming Grill is a growth brand which will be expanded in due course into the Securitisation Estate.

Farmhouse Inns

This is the brand that the GK Group created out of the Cloverleaf acquisition in 2011. These carvery pub restaurants (numbering 36 as at 18 October 2015) are located in popular sites where the barrier to entry for potential competitors is high. As at the Fourth Closing Date, there will be nine Farmhouse Inns in the Securitisation Estate.

Chef & Brewer

Chef & Brewer pubs are typically classic country pubs in popular sites offering high quality pub food. There were 136 Chef & Brewer pubs in the GK Group as at 18 October 2015. Although there will be no such pubs in the Securitisation Estate as at the Fourth Closing Date, Chef & Brewer is a growth brand which will be expanded in due course into the Securitisation Estate.

Metropolitan

There were 66 pubs in the Metropolitan division as at 18 October 2015. The majority of the pubs are situated in London. All of the Metropolitan pubs are unbranded and not themed, each with its own identity, serving high quality food in characteristic surroundings. As at the Fourth Closing Date, there will be 28 Metropolitan pubs in the Securitisation Estate.

Local Pubs

There were 593 local pubs as at 18 October 2015. These pubs are local market-facing bespoke pubs, where the emphasis is on individuality rather than a set format. The pubs operate in the value, mainstream and premium segments of the market and are mostly branded Greene King. As at the Fourth Closing Date, there will be 471 local pubs in the Securitisation Estate.

Pub Partners

This is the trading division that runs the group's tenanted and leased estate in England, Wales and Scotland. In the 52 weeks to 3 May 2015 for the Greene King pubs, revenue decreased by 16.9 per cent. to £121.9m and operating profit by 15.7 per cent. to £54.0m, largely due to the disposal of 275 pubs to Hawthorne Leisure in June 2014. The operating profit margin improved by 0.7 percentage points to 44.3 per cent. Since the financial year end with the acquisition of Spirit Pub Company plc, Spirit's leased pubs also form part of Pub Partners, and in the 24 weeks to 18 October 2015 for the Greene King pubs, combined revenue increased by 40.8 per cent. to £82.1m and operating profit by 42.8 per cent. to £36.7m. The operating profit margin improved by 0.6 percentage points to 44.7 per cent.

The strategy for the combined Pub Partners business is to be the best landlord partner for the best tenants in the country through owning and providing for let the best tenanted and leased pubs in the UK and by supporting tenants with the most comprehensive package of support in the industry. As at 18 October 2015, there were 1,236 trading pubs in this division with 36.0 per cent. of the estate let on long-term assignable leases, with 64.0 per cent. being let on shorter-term tenancy agreements.

As at the Fourth Closing Date, there will be 770 Pub Partners pubs in the Securitisation Estate, with 79 per cent. being let on shorter-term tenancy agreements.

Brewing & Brands

Results for the 52 weeks to 3 May 2015 showed an increase in revenue of this division of 3.9 per cent. to £192.7m. Operating profit decreased by 0.1 per cent. to £29.8m. The operating profit margin fell 0.6 percentage points to 15.5 per cent.

In the 24 weeks to 18 October 2015, revenue increased to £95.4m, with operating profit of £14.7m and an operating profit margin of 15.2 per cent.

Organisational Structure

The Securitisation Estate will consist of two trading divisions: Pub Company and Pub Partners. Management services for each of these divisions will be provided by GKB&R (see the section entitled "*Services Agreements*" below).

Geographical Analysis

The table below illustrates the percentage regional spread of the Estate as at the date of this Prospectus:

	as at Fourth Closing Date Securitisation Estate	**as at 18 October 2015 GK Group Estate (including Spirit)**
	%	**%**
East Midlands	6.7	7.4
East of England	24.6	17.0
London & South East	36.0	33.4
North East	1.3	3.0
North West	5.0	10.7
Scotland	11.6	9.5
South West	7.4	5.9
Wales	0.7	1.1
West Midlands	2.6	5.8
Yorkshire and the Humber	4.1	6.4
Grand Total	100	100

The Securitisation Estate

The following table sets out the number of sites of the entire GK Group's pub estate as at 18 October 2015 and those already in or being transferred into the Securitisation Estate by trading division and by operating format (for the managed pubs)/location (for the tenanted/leased pubs) as at the date of this Prospectus.

Trading division	as at 18 October 2015 GK Group Estate	as at Fourth Closing Date Securitisation Estate
Greene King Pub Company (Managed)	1,848	773
Pub Partners (Tenanted/Lease)	1,246	770
Total	3,094	1,543

Trading division	Operating format / segmentation	as at Fourth Closing Date Securitisation Estate	% of Securitisation Estate
Managed	Eating Inn	26	1.7
	Farmhouse Inns	9	0.6
	Inns	99	6.4
	Hungry Horse	168	10.9
	Local Pubs	471	30.5
Tenanted	Mainstream - Food led	153	9.9
	Mainstream - Wet led	341	22.1
	Premium – Food led	57	3.7
	Premium - Wet led	71	4.6
	Value - Food led	8	0.5
	Value - Wet led	140	9.1
Total		1,543	100.00

Services Agreements

GKB&R owns the intellectual property used for the operation of the GK Group's activities and is party to its trade contracts with third parties.

All employees are employed by one of two wholly-owned subsidiaries of Greene King: Greene King Retail Services Limited ("**GKRSL**") and Greene King Services Limited ("**GKSL**"), each of which seconds employees to GKB&R. The secondment agreements state that each employing company will continue to employ their respective employees and will be responsible for all employment costs (including payment of salary and contractual benefits, tax and national insurance) for their respective employees. GKB&R will reimburse the employing companies in full for the appropriate employment costs. The Initial Borrower and GKB&R have entered into agreements for the licensing of intellectual property and the provision of goods and services (including employees and management services) required for the operation of the Initial Borrower's business.

Insurance

Management believes that the properties owned or used by the Securitisation Group are adequately covered by insurance placed with reputable insurers and with commercially reasonable deductibles and limits. Insurance policies held or maintained for the benefit of the Securitisation Group cover such risks as material damage, business interruption, fire, loss of rent (tenanted/leased properties only) and third party liability.

Pensions

The GK Group contributes to three defined benefit pension schemes in respect of the past service of certain existing employees. All defined benefit pension schemes are closed to new employees and future accrual. Contributions currently total £11.9 million per annum in respect of the past service deficit in the pension schemes.

New employees who join the GK Group are auto-enrolled into either the GK Group Personal Pension Plan, which is a money-purchase, defined contribution arrangement or NEST. The employer provides matching contributions into these plans, in certain cases, up to 15 per cent. of members' salaries.

Legal Proceedings

No member of the Securitisation Group is a party to any material litigation or is aware of any pending or threatened litigation, which would or might have a Material Adverse Effect on the Securitisation Group.

MANAGEMENT

The management of the GK Group includes well-known and experienced names in the hospitality and pub industry. Brief backgrounds of management are set out below.

Rooney Anand – Chief Executive

Rooney Anand, age 51, was appointed to the board of Greene King in 2001. He joined the group as managing director of the brewing division and was promoted to chief executive in 2005. He was previously president and managing director of the UK bakery division at Sara Lee, the international consumer goods business, and, prior to that, was at United Biscuits.

Tim Bridge, DL – Chairman (retiring 1 May 2016)

Tim Bridge, age 67, is Chairman of Greene King. He joined Greene King in 1970 and was appointed to the board in 1977. He has held a variety of positions within the GK Group, becoming managing director in 1990 and chief executive in 1994. In 2005 he stepped down as Chief Executive to take over the role of Chairman.

Kirk Davis – Chief Financial Officer

Kirk Davis, age 44, commenced as Chief Financial Officer in 2014. He joined Greene King from JD Wetherspoon plc where he had been finance director since 2011. He has extensive retail experience having held senior finance roles at Tesco and Marks & Spencer and is a member of the Chartered Institute of Management Accountants.

John Forrest – Chief Operating Officer

John Forrest, age 44, commenced as Chief Operating Officer in January 2016. He will be responsible for the Greene King retail business. He has a wealth of experience in the hospitality sector, having most recently been chief operating officer for Premier Inn at Whitbread.

Clive Chesser – Managing Director, Pub Partners

Clive Chesser, age 46, is managing director for Greene King Pub Partners. He joined Greene King in June 2009 as an Operations Director for Greene King Pub Partners and was promoted to the role of managing director in January 2016. He was previously at Enterprise Inns.

DETAILS OF KEY MEMBER COMPANIES OF THE GREENE KING GROUP

Companies within the Securitisation Group

The Securitisation Group

As at the Fourth Closing Date, the Securitisation Group will comprise the Securitisation Group Parent and the Initial Borrower. The Sapphire Companies shall be released from their obligations under the Transaction Documents on the Fourth Closing Date. For details in respect of the Securitisation Group Parent and the Initial Borrower see the section entitled "*Key Parties to the Transaction*" above.

Companies outside the Securitisation Group

GKB&R

Greene King Brewing & Retailing Limited is a private limited company incorporated in England and Wales with company number 3298903. GKB&R owns the properties comprising the Estate (excluding the Securitisation Estate) and operates the GK Group's brewing business and managed and tenanted estate outside the Securitisation Group. GKB&R is not a member of the Securitisation Group. It will be party to certain of the Transaction Documents in its capacities as Cash Manager, Supply Co and Management Co. As at 3 May 2015, the issued share capital of GKB&R was £1,456,528,800 and was held by Greene King Pubs Limited.

Greene King

Greene King plc is a public limited company incorporated in England and Wales with company number 00024511. It is the holding company of all other companies which form the GK Group and is listed on the London Stock Exchange. Greene King is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents (other than the Subscription Agreements, the Tax Deed of Covenant, the Borrower Deed of Charge, the Initial Borrower Subordinated Loan Agreement and the GK Security Deed). As at 18 October 2015 the issued share capital of Greene King was £38,613,006 (excluding shares held in treasury). Greene King is owned by a number of investment and pension funds, insurance companies, certain other investors, private individuals and trusts for the benefit of certain individuals.

Greene King Retail Services Limited

Greene King Retail Services Limited is a private limited company incorporated in England and Wales with company number 03324496. Greene King Retail Services Limited is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents (other than the Borrower Deed of Charge and the Management Services Agreement). As at 3 May 2015, the issued share capital of Greene King Retail Services Limited was £1 and was held by Greene King Investments Ltd, a wholly-owned subsidiary of Greene King.

Greene King Services Limited

Greene King Services Limited is a private limited company incorporated in England and Wales with company number 03324493. Greene King Services Limited is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents (other than the Borrower Deed of Charge and the Management Services Agreement). As at 3 May 2015, the issued share capital of Greene King Services Limited was £1 and was held by Greene King Investments Ltd, a wholly-owned subsidiary of Greene King.

Spirit Pub Company Limited

Spirit Pub Company Limited (previously Spirit Pub Company plc) is a private limited company incorporated in England and Wales with company number 07662835. Spirit Pub Company Limited is not a member of the Securitisation Group nor is it a party to any of the Transaction Documents other than the Tax Deed of Covenant. As at 22 August 2015, the issued share capital of Spirit Pub Company Limited was £6,739,482.54 and was held by Greene King.

AVERAGE LIFE OF THE FOURTH ISSUE NOTES

The average lives of the Fourth Issue Notes cannot be predicted, as the actual rate at which the Term Advances will be repaid and a number of other relevant factors are unknown.
Calculations of the possible average life of the Fourth Issue Notes can be made based on certain assumptions. For example, based on the assumption that no optional prepayment is made on the Fourth Issue Notes.

The following would be the case based on the assumption referred to in paragraph (b) above:

Class	**Notional Amount**	**Remaining Average Life**	**Legal Maturity Date**
A6	£300,000,000	10.51 years	March 2035
AB2	£40,000,000	18.83 years	March 2036

No assurance can be given that the estimates above will prove in any way to be realistic and they must, therefore, be viewed with considerable caution.

OVERVIEW OF PROVISIONS RELATING TO THE FOURTH ISSUE NOTES WHILE IN GLOBAL FORM

Each class of Fourth Issue Notes will initially be represented by a Temporary Global Note which will be deposited on or about the Fourth Closing Date with a common depositary for Euroclear and Clearstream, Luxembourg. Interests in each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note on a date 40 days after the Fourth Closing Date (the "**Exchange Date**") upon certification as to non-U.S. beneficial ownership. No payments of principal, interest or any other amounts payable in respect of the Fourth Issue Notes will be made under the Temporary Global Notes unless exchange for interests in the relevant Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Fourth Issue Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Each of (a) the Class A1 Permanent Global Note, the Class A2 Permanent Global Note, the Class A3 Permanent Global Note, the Class A4 Permanent Global Note, the Class B1 Permanent Global Note and the Class B2 Permanent Global Note will become exchangeable in whole, but not in part, for Definitive Notes in denominations of £50,000 or above £50,000 in increments of £1,000, (b) the Class A5 Permanent Global Note will become exchangeable in whole, but not in part, for Definitive Notes in denominations of £50,000 and higher integral multiples of £1,000, up to and including £99,000, and (c) the Class A6 Permanent Global Note and the Class AB2 Permanent Global Note will become exchangeable in whole, but not in part, for Definitive Notes in denominations of £100,000 and higher integral multiples of £1,000, up to and including £199,000, in each case, each at the request of the bearer of the relevant Permanent Global Note against presentation and surrender of such Permanent Global Note to the Principal Paying Agent if either of the following events (each, an "**Exchange Event**") occurs:

(a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence; or

(b) as a result of any amendment to, or a change in laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Fourth Closing Date, the Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of such Fourth Issue Notes which would not be required were such Fourth Issue Notes in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons (as defined in the Conditions) attached, in an aggregate principal amount equal to the principal amount of the relevant Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office (as defined in the Conditions) of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Conditions as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

All payments in respect of each Temporary Global Note and each Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant Temporary Global Note or (as the case may be) the relevant Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Fourth Issue Notes.

Notwithstanding Condition 17 (*Notices to Noteholders*), while (i) all the Fourth Issue Notes are represented by Global Notes and the Global Notes are deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg, and (ii) so long as the Fourth Issue Notes are listed on the Stock Exchange and the rules of the Stock Exchange so permit, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg rather than by publication in accordance with Condition 17 (*Notices to*

Noteholders). Such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

The holder of a Global Note will be deemed to be two persons for the purpose of forming a quorum at a meeting of Noteholders.

For so long as any Fourth Issue Notes are represented by a Global Note, such Fourth Issue Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

For so long as any Fourth Issue Notes are represented by a Global Note, Conditions 7(f) and 8(c) shall not apply to such Fourth Issue Notes.

TERMS AND CONDITIONS OF NOTES

The following are the terms and conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Note Trust Deed. The Conditions set out below will apply to the Notes whether they are in definitive form or in global form.

The £300,000,000 Class A6 Secured 4.0643 per cent. Notes due 2035 (the "**Class A6 Notes**") and £40,000,000 Class AB2 Secured 6.0552 per cent. Notes due 2036 (the "**Class AB2 Notes**", together with the Class A6 Notes, the "**Fourth Issue Notes**") of Greene King Finance plc (the "**Issuer**") will be constituted by a supplemental trust deed expected to be dated on or about 26 May 2016 (or such later date as may be agreed between the Issuer and HSBC Bank plc (in such capacity the "**Arranger**")) (the "**Fourth Closing Date**") (the "**Third Supplemental Note Trust Deed**") and made between the Issuer, Greene King Retailing Limited as note guarantor (in such capacity "**Note Guarantor**") and HSBC Trustee (C.I.) Limited (in such capacity, the "**Note Trustee**", which expression includes its successors or any additional or other trustee appointed pursuant to the Note Trust Deed) as trustee for the Noteholders and the Couponholders (each as defined below).

The Third Supplemental Note Trust Deed is supplemental to a trust deed dated 7 March 2005 (the "**First Closing Date**") (the "**Original Note Trust Deed**"), as supplemented by a supplemental trust deed dated 8 May 2006 (the "**Second Closing Date**") (the "**First Supplemental Note Trust Deed**") and further supplemented by a supplemental trust deed dated 30 June 2008 (the "**Third Closing Date**") (the "**Second Supplemental Note Trust Deed**"), in each case, made between the Issuer and the Note Trustee. The Original Note Trust Deed together with the First Supplemental Note Trust Deed, the Second Supplemental Note Trust Deed and the Third Supplemental Note Trust Deed constitute the "**Note Trust Deed**", which expression includes such note trust deed as from time to time further modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified, and pursuant to which the £150,000,000 Class A1 Secured Floating Rate Notes due 2031, the £320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031, the £130,000,000 Class B Secured Fixed/Floating Rate Notes due 2034 (renamed the "**Class B1 Notes**" on the Second Closing Date) (together the "**Original Notes**"), the £170,000,000 Class A3 Secured Floating Rate Notes due 2021, the £265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034, the £115,000,000 Class B2 Secured Floating Rate Notes due 2036 (together the "**Second Issue Notes**"), the £290,000,000 Class A5 Secured Floating Rate Notes due 2033 and the £60,000,00 Class AB1 Secured Floating Rate Notes due 2036 (together the "**Third Issue Notes**", provided that references to the Third Issue Notes shall not include the Class AB1 Notes once the Class AB1 Notes are cancelled on or about the Fourth Closing Date) of the Issuer were constituted.

Any reference to "**Notes**" in these terms and conditions (the "**Conditions**") shall include the Global Notes and the Definitive Notes (each as defined below). Further, the expressions "**Class A1 Notes**", "**Class A2 Notes**", "**Class A3 Notes**", "**Class A4 Notes**", "**Class A5 Notes**", "**Class A6 Notes**", "**Class AB2 Notes**", "**Class B1 Notes**" and "**Class B2 Notes**" and "**Notes**" shall in these Conditions, unless the context otherwise requires, include any Further Notes or New Notes (each as defined below) issued pursuant to Condition 19 (*Further and New Note Issues*). In addition, any reference in these Conditions to a class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class AB2 Notes and the Class B Notes (or any of them) and, to the extent any New Notes (as defined below) are issued, the relevant class of New Notes issued or, as the case may be, the respective holders thereof. Any reference in these Conditions to a sub-class of Notes or of Noteholders shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class AB2 Notes, the Class B1 Notes, the Class B2 Notes (or any of them) and, to the extent any New Notes are issued, the relevant sub-class of New Notes issued or, as the case may be, the respective holders thereof, unless the context requires otherwise.

The security for the Notes is created pursuant to, and on the terms set out in, a deed of charge dated the First Closing Date (the "**Original Issuer Deed of Charge**") and made between, *inter alios,* the Issuer and the Issuer Secured Creditors (as defined below), as supplemented by a supplemental deed of charge dated on the Second Closing Date made between the parties to the Original Issuer Deed of Charge (the "**First Supplemental Issuer Deed of Charge**") and a supplemental deed of charge dated on the Third Closing Date made between the parties to the Original Issuer Deed of Charge and the First Supplemental Issuer Deed of Charge (the "**Second Supplemental Issuer Deed of Charge**"), as further supplemented by a third supplemental deed of charge expected to be dated on or about the Fourth Closing Date and made between the parties to the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge (the "**Third Supplemental Issuer Deed of Charge**" and, together with the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge, the

"**Issuer Deed of Charge**", which expression includes such deed of charge as from time to time further modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so further modified). On 16 December 2015, ANTS acceded to the Issuer Deed of Charge by way of an accession deed.

Pursuant to an agency agreement (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified or supplemented in accordance with the provisions therein contained, including on or about the Fourth Closing Date, and any agreement or other document expressed to be supplemental thereto, as from time to time so modified) dated the First Closing Date and made between the Issuer, the Issuer Security Trustee, HSBC Institutional Trust Services (Ireland) Limited as Irish paying agent (in such capacity the "**Irish Paying Agent**", which expression includes its successors), HSBC Bank plc as principal paying agent (in such capacity the "**Principal Paying Agent**", which expression includes its successors and, together with the Irish Paying Agent and any additional or other paying agents, if any, appointed from time to time in respect of the Notes pursuant to the Agency Agreement, the "**Paying Agents**") and HSBC Bank plc as agent bank (in such capacity the "**Agent Bank**", which expression includes its successors and, together with the Paying Agents, the "**Agents**"), provision is made for, *inter alia,* the payment of principal and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the other Transaction Documents (as defined below).

Copies of the Issuer Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule, the Master Amendment Deed, the Second Master Amendment Deed, the Third Master Amendment Deed, the Fourth Subscription Agreement, the Issuer/Borrower Facility Agreement, the Issuer/Borrower Swap Agreement, the Account Bank and Cash Management Agreement, the Corporate Services Agreement, the Note Trust Deed, the Liquidity Facility Agreements, the Interest Rate Swap Agreements and the Tax Deed of Covenant (together with the other Issuer Security Documents and the Notes, the "**Issuer Transaction Documents**") are obtainable during normal business hours at the Specified Office for the time being of the Principal Paying Agent, being at the date hereof at 8 Canada Square, London E14 5HQ, and at the Specified Office of the Irish Paying Agent, being at the date hereof at 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the other Transaction Documents.

The issue of the Class A1 Notes, the Class A2 Notes and the Class B1 Notes was authorised by resolution of the board of directors of the Issuer passed on 3 March 2005. The issue of the Class A3 Notes, the Class A4 Notes and the Class B2 Notes was authorised by resolution of the board of directors of the Issuer passed on 2 May 2006. The issue of the Class A5 Notes and the Class AB1 Notes was authorised by resolution of the board of directors of the Issuer passed on 24 June 2008. The issue of the Class A6 Notes and the Class AB2 Notes and the redemption of the Class AB1 Notes were authorised by resolution of the board of the directors of the Issuer passed on 27 April 2016.

1. Definitions

In these Conditions, the following defined terms have the meanings set out below:

"**£**", "**sterling**" and "**pounds sterling**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**AB2 Principal Residual Amount**" has the meaning given to it in Condition 18(b) (*Subordination and Deferral – Principal – Class AB2 Notes*).

"**Account Bank**" means the Initial Account Bank or the Additional Account Bank, as the context may require, and "**Account Banks**" means both of them.

"**Account Bank and Cash Management Agreement**" means the account bank and cash management agreement dated on or about the First Closing Date as amended and restated on the Third Closing Date and made between the Obligors, the Initial Account Bank, the Additional Account Bank, the Cash Manager, the Issuer, the Issuer Security Trustee and the Borrower Security Trustee.

“**Additional Account Bank**” means Bank of Scotland plc acting through its branch at 39 St Andrew Square, Edinburgh EH2 2YR, as account bank to certain of the Obligors, or such other entity or entities appointed as Additional Account Bank from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement.

“**Additional Borrower**” means an Eligible Borrower who has become an Additional Borrower in accordance with Clause 12.2 of the Issuer/Borrower Facility Agreement in accordance with the terms thereof.

“**Additional Notes**” means any Further Notes and/or any New Notes.

“**Additional Term Facility**” means a Further Term Facility and/or a New Term Facility, as the context may require.

“**Affiliates**” means, in respect of any person, the ultimate holding company of that person or an entity of which that person or its ultimate holding company (a) has direct or indirect control or (b) owns directly or indirectly more than 50 per cent. of the share capital or similar rights of ownership. In relation to The Royal Bank of Scotland plc, the term “**Affiliate**” or “**affiliate**” shall not include (a) the UK government or any member or instrumentality thereof, including Her Majesty’s Treasury and UK Financial Services Investments Limited (or any directors, officers, employees or entities thereof) or (b) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty’s Treasury and UK Financial Services Investments Limited) and which are not part of The Royal Bank of Scotland Group plc and its subsidiaries or subsidiary undertakings.

“**Agency Agreement**” has the meaning given in the recitals to these Conditions.

“**Agent Bank**” has the meaning given in the recitals to these Conditions.

“**Agents**” has the meaning given in the recitals to these Conditions.

“**Amortisation Amount**” has the meaning given to it in Condition 7(b)(i) (*Redemption, Purchase and Cancellation – Scheduled Mandatory Redemption in Part*).

“**ANTS**” means Abbey National Treasury Services plc.

“**Arranger**” has the meaning given in the recitals to these Conditions.

“**Available Issuer Revenue**” means all sums standing to the credit of the Issuer Transaction Account (excluding any Swap Excluded Amounts) on any Interest Payment Date.

“**Basic Terms Modification**” means:

(a) any modification which would have the effect of: (i) postponing or altering any day for payments of interest and principal of any particular class of Notes; (ii) reducing, cancelling or rescheduling the amount of principal or the rate of interest payable in respect of any particular class of Notes; (iii) altering the relative priority of payment of interest or principal of any one existing class of Notes relative to another existing class of Notes; (iv) altering the currency of payment of any particular class of Notes; or (v) altering the Final Maturity Date of any particular class of Notes; or

(b) an alteration of: (i) the definition of Basic Terms Modification or its application in the Transaction Documents or these Conditions; (ii) the majority required to effect a Basic Terms Modification; or (iii) the majority required to pass an Extraordinary Resolution.

“**Borrower Deed of Charge**” means the Original Borrower Deed of Charge as supplemented by the Initial Borrower Supplemental Mortgages and as amended and supplemented by the First Supplemental Borrower Deed of Charge, the Second Supplemental Borrower Deed of Charge and the Third Supplemental Borrower Deed of Charge and includes, where the context so admits, any further or supplemental charge or security granted pursuant thereto from time to time.

"**Borrower Secured Creditors**" means:

(a) the Borrower Security Trustee (for itself and for and on behalf of the other Borrower Secured Creditors);

(b) the Issuer;

(c) the Cash Manager;

(d) the Account Banks;

(e) Supply Co;

(f) Management Co;

(g) the Employee Cos;

(h) Greene King;

(i) any Receiver appointed under the Borrower Deed of Charge; and

(j) any such other creditor who may accede to the Borrower Deed of Charge from time to time in accordance with the terms thereof and is designated as a Borrower Secured Creditor.

"**Borrower Secured Liabilities**" means the aggregate of all obligations, monies and liabilities (including the unpaid balance of every sum (of principal, interest or otherwise), any liability in respect of any Term Advances, whether present or future, actual or contingent (and whether incurred by an Obligor solely or jointly with one or more Obligor(s) and whether as principal or as surety or in some other capacity) and under or in respect of any guarantees), which from time to time are or may become due, owing or payable by the Obligors to the Borrower Security Trustee (whether for its own account or as trustee for the Borrower Secured Creditors) or any of the other Borrower Secured Creditors under any of the Borrower Transaction Documents.

"**Borrower Security Documents**" means:

(a) the Borrower Deed of Charge;

(b) any power of attorney executed and delivered by the Obligors pursuant to the terms of any Borrower Security Document; and

(c) any other document or instrument granted in favour of the Borrower Security Trustee (on behalf of the Borrower Secured Creditors) creating or evidencing the security for all or any part of the Borrower Secured Liabilities whether by way of personal covenant, charge, security interest, mortgage, standard security, assignation, pledge or otherwise,

and "**Borrower Security Document**" shall be construed accordingly.

"**Borrower Security Trustee**" means HSBC Trustee (C.I.) Limited in its capacity as security trustee for the Borrower Secured Creditors, whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands, or such other entity or entities appointed as security trustee for the Borrower Secured Creditors from time to time, subject to and in accordance with the terms of the Borrower Deed of Charge.

"**Borrower Transaction Documents**" means each or any of:

(a) the Issuer/Borrower Facility Agreement;

(b) the Borrower Deed of Charge;

(c) the Issuer/Borrower Swap Agreement;

(d) the Account Bank and Cash Management Agreement;

(e) the Intra Group Supply Agreement;

(f) the Management Services Agreement;

(g) the IP Licences;

(h) the Tax Deed of Covenant;

(i) the GK Security Deed;

(j) the Master Definitions and Construction Schedule;

(k) the Initial Borrower Subordinated Loan Agreement;

(l) the Funds Flow Agreement;

(m) the Second Funds Flow Agreement;

(n) the Third Funds Flow Agreement;

(o) the Fourth Funds Flow Agreement;

(p) the Master Amendment Deed;

(q) the Second Master Amendment Deed;

(r) the Third Master Amendment Deed; and

(s) any other agreement, instrument or deed designated as such by the Obligors and the Borrower Security Trustee.

"**Borrowers**" means the Initial Borrower and any Additional Borrower and "**Borrower**" means any of them.

"**B Principal Residual Amount**" has the meaning given to it in Condition 18(c) (*Subordination and Deferral – Principal – Class B Notes*).

"**Business Day**" means:

(a) unless the context otherwise requires, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London; and

(b) only in the case of Condition 8(e) (*Payments – Presentation on non-business days*), a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the place where any Coupon or Note is presented for payment.

"**Cash Manager**" means Greene King Brewing and Retailing Limited, a private limited company incorporated in England and Wales with company number 03298903 whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT, as cash manager for the Obligors and the Issuer, or such other entity or entities appointed as cash manager for the Obligors and the Issuer from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement.

"**Class A Noteholders**" means the Noteholders of any Class A Notes.

"**Class A Notes**" means the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes or, where the context so requires, any of them.

"**Class A1 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A1 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A1 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons* *and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Original Note Trust Deed.

"**Class A1 Final Maturity Date**" has the meaning given to it in Condition 7(a)(i) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A1 Noteholders**" means the Noteholders of any Class A1 Notes.

"**Class A1 Notes**" means the £150,000,000 Class A1 Secured Floating Rate Notes due 2031 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A1 Temporary Global Note (or any part thereof) and the Class A1 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A1 Definitive Notes (or any of them) representing the same and references to the Class A1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A1 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A1 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Original Note Trust Deed.

"**Class A1 Rate of Interest**" has the meaning given to it in Condition 6(c)(ii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A1 Notes*).

"**Class A1 Step-Up Amounts**" has the meaning given to it in Condition 6(c)(ii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A1 Notes*).

"**Class A1 Step-Up Date**" means the Interest Payment Date falling in March 2012.

"**Class A1 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A1 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Original Note Trust Deed.

"**Class A2 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A2 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A2 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Original Note Trust Deed.

"**Class A2 Final Maturity Date**" has the meaning given to it in Condition 7(a)(ii) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A2 Noteholders**" means the Noteholders of any Class A2 Notes.

"**Class A2 Notes**" means the £320,000,000 Class A2 Secured 5.318 per cent. Notes due 2031 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A2 Temporary Global Note (or any part thereof) and the Class A2 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A2 Definitive Notes (or any of them) representing the same and references to the Class A2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A2 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A2 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Original Note Trust Deed.

"**Class A2 Rate of Interest**" has the meaning given to it in Condition 6(c)(iii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A2 Notes*).

"**Class A2 Relevant Treasury Stock**" has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

"**Class A2 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing any Class A2 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Original Note Trust Deed.

"**Class A3 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A3 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A3 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the First Supplemental Note Trust Deed.

"**Class A3 Final Maturity Date**" has the meaning given to it in Condition 7(a)(iii) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A3 Noteholders**" means the Noteholders of any Class A3 Notes.

"**Class A3 Notes**" means the £170,000,000 Class A3 Secured Floating Rate Notes due 2021 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A3 Temporary Global Note (or any part thereof) and the Class A3 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A3 Definitive Notes (or any of them) representing the same and references to the Class A3 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A3 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A3 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the First Supplemental Note Trust Deed.

"**Class A3 Rate of Interest**" has the meaning given to it in Condition 6(c)(iv) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A3 Notes*).

"**Class A3 Step-Up Amounts**" has the meaning given to it in Condition 6(c)(iv) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A3 Notes*).

"**Class A3 Step-Up Date**" means the Interest Payment Date falling in June 2013.

"**Class A3 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A3 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the First Supplemental Note Trust Deed.

"**Class A4 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A4 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A4 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the First Supplemental Note Trust Deed.

"**Class A4 Final Maturity Date**" has the meaning given to it in Condition 7(a)(iv) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A4 Noteholders**" means the Noteholders of any Class A4 Notes.

"**Class A4 Notes**" means the £265,000,000 Class A4 Secured 5.106 per cent. Notes due 2034 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A4 Temporary Global Note (or any part thereof) and the Class A4 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A4 Definitive Notes (or any of them) representing the same and references to the Class A4 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A4 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A4 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the First Supplemental Note Trust Deed.

"**Class A4 Rate of Interest**" has the meaning given to it in Condition 6(c)(v) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A4 Notes*).

"**Class A4 Relevant Treasury Stock**" has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

"**Class A4 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing any Class A4 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the First Supplemental Note Trust Deed.

"**Class A5 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A5 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A5 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Second Supplemental Note Trust Deed.

"**Class A5 Final Maturity Date**" has the meaning given to it in Condition 7(a)(v) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A5 Noteholders**" means the Noteholders of any Class A5 Notes.

"**Class A5 Notes**" means the £290,000,000 Class A5 Secured Floating Rate Notes due 2033 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A5 Temporary Global Note (or any part thereof) and the Class A5 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A5 Definitive Notes (or any of them) representing the same and references to the Class A5 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A5 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A5 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Second Supplemental Note Trust Deed.

"**Class A5 Rate of Interest**" has the meaning given to it in Condition 6(c)(vi) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A5 Notes*).

"**Class A5 Step-Up Amounts**" has the meaning given to it in Condition 6(c)(vi) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A5 Notes*).

"**Class A5 Step-Up Date**" means the Interest Payment Date falling in June 2013.

"**Class A5 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class A5 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Second Supplemental Note Trust Deed.

"**Class A6 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class A6 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class A6 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Third Supplemental Note Trust Deed.

"**Class A6 Final Maturity Date**" has the meaning given to it in Condition 7(a)(vi) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class A6 Noteholders**" means the Noteholders of any Class A6 Notes.

"**Class A6 Notes**" means the £300,000,000 Class A6 Secured 4.0643 per cent. Notes due 2035 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class A6 Temporary Global Note (or any part thereof) and the Class A6 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class A6

Definitive Notes (or any of them) representing the same and references to the Class A6 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class A6 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Third Supplemental Note Trust Deed representing the Class A6 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Third Supplemental Note Trust Deed.

"**Class A6 Rate of Interest**" has the meaning given to it in Condition 6(c)(vii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class A6 Notes*).

"**Class A6 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Third Supplemental Note Trust Deed representing the Class A6 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Third Supplemental Note Trust Deed.

"**Class AB1 Notes**" means the £60,000,000 Class AB1 Secured Floating Rate Notes due 2036 constituted by the Second Supplemental Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class AB1 Temporary Global Note (or any part thereof) and the Class AB1 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class AB1 Definitive Notes (or any of them) representing the same and references to the Class AB1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class AB1 Definitive Notes**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Second Supplemental Note Trust Deed representing the Class AB1 Notes in, or substantially in, the form set out in Part B of Schedule 1 (Form of Permanent Global Note) to the Second Supplemental Note Trust Deed

"**Class AB1 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Second Supplemental Note Trust Deed representing the Class AB1 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Second Supplemental Note Trust Deed.

"**Class AB2 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class AB2 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class AB2 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Third Supplemental Note Trust Deed.

"**Class AB2 Final Maturity Date**" has the meaning given to it in Condition 7(a)(vii) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class AB2 Noteholders**" means the Noteholders of any Class AB2 Notes.

"**Class AB2 Notes**" means the £40,000,000 Class AB2 Secured 6.0552 per cent. Notes due 2036 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class AB2 Temporary Global Note (or any part thereof) and the Class AB2 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class AB2 Definitive Notes (or any of them) representing the same and references to the Class AB2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class AB2 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class AB2 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Third Supplemental Note Trust Deed.

"**Class AB2 Rate of Interest**" has the meaning given to it in Condition 6(c)(viii) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class AB2 Notes*).

"**Class AB2 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class AB2 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Third Supplemental Note Trust Deed.

"**Class B Noteholders**" means the Noteholders of any Class B Notes.

"**Class B Notes**" means the Class B1 Notes and the Class B2 Notes, or where the context so requires, any of them.

"**Class B1 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class B1 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class B1 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the Original Note Trust Deed.

"**Class B1 Final Maturity Date**" has the meaning given to it in Condition 7(a)(viii) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class B1 Fixed Rate**" has the meaning given to it in Condition 6(c)(ix) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B1 Notes*).

"**Class B1 Floating Rate**" has the meaning given to it in Condition 6(c)(ix) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B1 Notes*).

"**Class B1 Noteholders**" means the Noteholders of any Class B1 Notes.

"**Class B1 Notes**" means the £130,000,000 Class B1 Secured Fixed/Floating Rate Notes due 2034 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class B1 Temporary Global Note (or any part thereof) and the Class B1 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class B1 Definitive Notes (or any of them) representing the same and references to the Class B1 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class B1 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class B1 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the Original Note Trust Deed.

"**Class B1 Rate of Interest**" has the meaning given to it in Condition 6(c)(ix) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B1 Notes*).

"**Class B1 Relevant Treasury Stock**" has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer Borrower Facility Agreement*).

"**Class B1 Step-Up Amounts**" has the meaning given to it in Condition 6(c)(ix) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B1 Notes*).

"**Class B1 Step-Up Date**" means the Interest Payment Date falling in March 2020.

"**Class B1 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class B1 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the Original Note Trust Deed.

"**Class B2 Definitive Notes**" means the bearer Notes in definitive form which may be issued in respect of the Class B2 Notes pursuant to, and in the circumstances specified in, clause 3 of the Note Trust Deed and includes any replacement for Class B2 Definitive Notes issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) and are issued substantially in the form described in the Note Trust Deed and as set out in Part C of Schedule 1 (*Form of Definitive Note*) to the First Supplemental Note Trust Deed.

"**Class B2 Final Maturity Date**" has the meaning given to it in Condition 7(a)(ix) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Class B2 Noteholders**" means the Noteholders of any Class B2 Notes.

"**Class B2 Notes**" means the £115,000,000 Class B2 Secured Floating Rate Notes due 2036 constituted by the Note Trust Deed or the principal amount thereof for the time being outstanding or, as the context may require, a specific number thereof and includes the Class B2 Temporary Global Note (or any part thereof) and the Class B2 Permanent Global Note (or any part thereof) representing the same, and (if issued) the Class B2 Definitive Notes (or any of them) representing the same and references to the Class B2 Notes shall, except where the context otherwise requires, include the Conditions applicable thereto.

"**Class B2 Permanent Global Note**" means the permanent global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing the Class B2 Notes in, or substantially in, the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) to the First Supplemental Note Trust Deed.

"**Class B2 Rate of Interest**" has the meaning given to it in Condition 6(c)(x) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B2 Notes*).

"**Class B2 Step-Up Amounts**" has the meaning given to it in Condition 6(c)(x) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B2 Notes*).

"**Class B2 Step-Up Date**" means the Interest Payment Date falling in June 2013.

"**Class B2 Temporary Global Note**" means the temporary global note issued by the Issuer pursuant to clause 3 of the Note Trust Deed representing any Class B2 Notes in, or substantially in, the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) to the First Supplemental Note Trust Deed.

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme.*

"**Common Depositary**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*).

"**Conditions**" has the meaning given in the recitals to these Conditions.

"**Corporate Services Agreement**" means the corporate services agreement dated on or about the First Closing Date and entered into between the Corporate Services Provider, the Issuer and the Issuer Security Trustee.

"**Corporate Services Provider**" means Law Debenture Corporate Services Limited (company number 3388362) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX.

"**Couponholders**" means the persons who for the time being are holders of the Coupons.

"**Coupons**" means the bearer interest coupons, in or substantially in, the form set out (in respect of the Original Notes) in Part D of Schedule 1 (*Form of Coupon*) to the Original Note Trust Deed, (in respect of the Second Issue Notes) in Part D of Schedule 1 to the First Supplemental Note Trust Deed, (in respect of the Third Issue Notes) in Part D of Schedule 1 to the Second Supplemental Note Trust Deed and (in respect of the Fourth Issue Notes) in Part D of Schedule 1 to the Third Supplemental Note Trust Deed and for the time being outstanding or, where the context so requires, a specific number of them and includes (where applicable) the Talons in respect of such Coupons.

"**Definitive Notes**" means the Class A1 Definitive Notes, the Class A2 Definitive Notes, the Class A3 Definitive Notes, the Class A4 Definitive Notes, the Class A5 Definitive Notes, the Class A6 Definitive Notes, the Class AB2 Definitive Notes, the Class B1 Definitive Notes, the Class B2 Definitive Notes and any New Notes issued in definitive form or, where the context so requires, any of them.

"**Disposal Proceeds Account**" means an account known as the "GKR Ltd Disposals Account" held in the name of the Initial Borrower and maintained by the Initial Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement or such other account as may be opened, with the consent of the Borrower Security Trustee, at any branch of the Initial Account Bank or at a bank which is an Eligible Bank and a Qualifying Bank in replacement of such account.

"**Eligible Bank**" means a credit or other institution authorised to accept deposits under the Financial Services and Markets Act 2000, the short-term unsecured, unsubordinated and unguaranteed debt obligations of which are rated at least the Minimum Short-Term Ratings.

"**Eligible Borrower**" means, at any time, a company incorporated and tax resident in the United Kingdom that is a direct or indirect subsidiary of the Securitisation Group Parent.

"**Eligible Investments**" means:

(a) sterling gilt-edged securities provided that such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment) and A-1 by S&P or (B) have a maturity date of 365 days (for at least the price paid for the relevant investment) and are rated at least A-1 by S&P;

(b) sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper) provided that in all cases such investments have a maturity date falling no later than the next following Interest Payment Date (in respect of investments made by or on behalf of the Issuer) or Loan Payment Date (in respect of investments made by or on behalf of any Obligor) and that the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised bank under the Financial Services and Markets Act 2000) are rated by S&P and by at least one of Fitch and Moody's at not less than "A-1" (by S&P) and (if rated by Fitch) "F1" and (if rated by Moody's) "P-1";

(c) investments made in money management funds rated by S&P and by at least one of Fitch and Moody's at not less than "A-1" or "AAAm" by S&P and (if rated by Fitch) "F1" or "AAA" and (if rated by Moody's) "P-1" or "Aaa" provided that in all cases such investments have a maturity date falling no later than the next following Interest Payment Date (in respect of investments made by or on behalf of the Issuer) or Loan Payment Date (in respect of investments made by or on behalf of any Obligor); and

(d) in the case of monies standing to the credit of the Disposal Proceeds Account only, investments made in money management funds provided that in all cases such investments have a maturity date falling no later than 12 months from the date upon which the relevant monies were credited to the Disposal Proceeds Account and that the relevant money management funds are rated by S&P and by at least one of Fitch and Moody's at not less than "AAAm" by S&P and (if rated by Fitch) "AAA" and (if rated by Moody's) "Aaa".

"**Employee Cos**" means together Greene King Retail Services Limited (company number 03324496) and Greene King Services Limited (company number 03324493).

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Exchange Date**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*).

"**Excluded Group Entity**" means any entity together with any Affiliates thereof which is a member of the GK Group but not a member of the Securitisation Group.

"**Extraordinary Resolution**" has the meaning given to it in the Provisions for Meetings of Noteholders as set out in Schedule 4 to the Note Trust Deed.

"**Final Discharge Date**" means the date on which the Issuer Security Trustee is satisfied that all the Issuer Secured Liabilities have been paid or discharged in full.

"**Final Maturity Date**" has the meaning given to it in Condition 7(a)(ix) (*Redemption, Purchase and Cancellation – Final Redemption*).

"**Final Period**" means the third and fourth Financial Quarters of each Financial Year.

"**Financial Quarter**" means each period from (and including) the day after a Financial Quarter Date to (and excluding) the next Financial Quarter Date and, in respect of the first Financial Quarter, the period from (and including) the First Closing Date to (and including) 1 May 2005.

"**Financial Quarter Date**" means 1 May 2005 and, thereafter, the date on which the quarterly accounting period of each Borrower ends, being:

(a) for the first Financial Quarter, the date which is 12 weeks from 1 May 2005 and in each year thereafter from the fourth Financial Quarter Date in the immediately preceding Financial Year;

(b) for the second Financial Quarter, the date which is 12 weeks from the previous Financial Quarter Date;

(c) for the third Financial Quarter, the date which is 12 weeks from the previous Financial Quarter Date; and

(d) for the fourth Financial Quarter, the date which is the last day of the Financial Year of which such fourth Financial Quarter forms part.

"**Financial Statements**" means:

(a) the audited consolidated annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries and the related auditors report for each Financial Year; and

(b) the unaudited consolidated semi-annual financial statements of the Securitisation Group Parent and its direct or indirect subsidiaries for each Semi-Annual Period,

in each case, to be delivered by the Obligors pursuant to the Issuer/Borrower Facility Agreement.

"**Financial Year**" means the period of four Financial Quarters comprised, in the discretion of the Initial Borrower, of 52 or 53 weeks ending within seven days of 30 April, the first Financial Year ending on 1 May 2005.

"**First Closing Date**" means 7 March 2005.

"**First Subscription Agreement**" means the subscription agreement in relation to the Original Notes dated 3 March 2005 and made between, *inter alios,* the Issuer, the Obligors, Greene King, The Royal Bank of Scotland plc and BNP Paribas.

"**First Supplemental Borrower Deed of Charge**" means the deed of charge dated on or about the Second Closing Date between each of the parties to the Original Borrower Deed of Charge.

"**First Supplemental Issuer Deed of Charge**" means the deed of charge dated on or about the Second Closing Date between each of the parties to the Original Issuer Deed of Charge.

"**First Supplemental Note Trust Deed**" means a note trust deed dated on or about the Second Closing Date supplemental to the Original Note Trust Deed between the Issuer and the Note Trustee.

"**Fitch**" means Fitch Ratings Limited or any successor to its ratings business.

"**Fixed Interest Rates**" means the Class A2 Rate of Interest, the Class A4 Rate of Interest, the Class A6 Rate of Interest, the Class AB2 Rate of Interest and, up to (but excluding) the Interest Payment Date falling in March 2020, the Class B1 Fixed Rate.

"**Fixed Rate Note Interest Amounts**" has the meaning given to it in Condition 6(d) (*Interest – Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts*).

"**Fixed Rate Notes**" means the Class A2 Notes, the Class A4 Notes, the Class A6 Notes, the Class AB2 Notes and, prior to the Class B1 Step-Up Date, the Class B1 Notes.

"**Floating Interest Rates**" means Class A1 Rate of Interest, the Class A3 Rate of Interest, the Class A5 Rate of Interest, the Class B2 Rate of Interest and, on and following the Class B1 Step-Up Date, the Class B1 Floating Rate.

"**Floating Rate Note Interest Amounts**" has the meaning given to it in Condition 6(d) (*Interest – Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts*).

“**Floating Rate Notes**” means the Class A1 Notes, the Class A3 Notes, the Class A5 Notes, the Class B2 Notes and, on and following the Class B1 Step-Up Date, the Class B1 Notes.

“**Fourth Closing Date**” means 26 May 2016.

“**Fourth Closing Date Transaction Documents**” means:

(a) the Third Master Amendment Deed;

(b) a deed of amendment and restatement relating to the GK Security Deed dated on or about the Fourth Closing Date and made between the parties to the GK Security Deed;

(c) the Third Supplemental Note Trust Deed;

(d) the Third Supplemental Issuer Deed of Charge;

(e) Standard Securities in respect of the Fourth Issue Further Mortgaged Properties located in Scotland;

(f) Fourth Issue Scottish Declaration of Trust;

(g) the Third Supplemental Borrower Deed of Charge;

(h) the Fourth Funds Flow Agreement;

(i) the Fourth Initial Borrower Asset Transfer Agreements; and

(j) any other documents designated as such by the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee.

“**Fourth Funds Flow Agreement**” means the agreement relating to the flow of funds on the Fourth Closing Date dated on or about the Fourth Closing Date between, *inter alios*, Greene King, the Initial Borrower, GKB&R and certain other members of the GK Group.

“**Fourth Initial Borrower Asset Transfer Agreements**” means the business transfer agreement dated on or about the Fourth Closing Date and entered into between, *inter alios*, GKB&R and the Initial Borrower relating to the Fourth Issue Further Mortgaged Properties located in England and Wales and Scotland.

“**Fourth Issue Further Mortgaged Properties**” means those Mortgaged Properties transferred to the Securitisation Group on the Fourth Closing Date, details of which are set out in out in Schedule 2 to the Third Supplemental Borrower Deed of Charge, and which are subject to or intended to be subject to a legal mortgage or, in Scotland, Standard Security, in favour of the Borrower Security Trustee under the Third Supplemental Borrower Deed of Charge.

“**Fourth Issue Notes**” means the Class A6 Notes and the Class AB2 Notes issued on the Fourth Closing Date.

“**Fourth Issue Scottish Declaration of Trust**” means the declaration of trust dated on or prior to the Fourth Closing Date granted by GKP with consent of GKB&R in favour of the Initial Borrower in respect of the Fourth Issue Scottish Properties in the form or substantially the form set out in Schedule 4 to the Third Supplemental Borrower Deed of Charge.

“**Fourth Subscription Agreement**” means the subscription agreement in relation to the Fourth Issue Notes dated 24 May 2016 and made between, *inter alios*, the Issuer, the Obligors, Greene King and the Joint Lead Managers.

“**Fourth Term Advance**” means any advance made, or deemed to be made, under the Fourth Term Facilities.

“**Fourth Term A6 Advance**” means the Fourth Term Advance under the Fourth Term A6 Facility.

"**Fourth Term A6 Facility**" has the meaning given to it in clause 2.4(a) of the Issuer/Borrower Facility Agreement.

"**Fourth Term AB2 Advance**" means the Fourth Term Advance under the Fourth Term AB2 Facility.

"**Fourth Term AB2 Facility**" has the meaning given to it in clause 2.4(b) of the Issuer/Borrower Facility Agreement.

"**Fourth Term Facilities**" means the Fourth Term A6 Facility and the Fourth Term AB2 Facility and excluding, for the avoidance of doubt, any Initial Term Facility, any Second Term Facility, any Third Term Facility, any Further Term Facility or any New Term Facility.

"**Funds Flow Agreement**" means the agreement relating to the flow of funds on the First Closing Date between, *inter alios,* the Issuer, Greene King, the Initial Borrower, GKB&R, the Sapphire Companies and certain other members of the GK Group.

"**Further Class A Notes**" means any Further Class A1 Notes, any Further Class A2 Notes, any Further Class A3 Notes, any Further Class A4 Notes, any Further Class A5 Notes and any Further Class A6 Notes issued pursuant to Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*) or, where the context so requires, any of them.

"**Further Class A1 Notes**" means further Class A1 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A1 Notes.

"**Further Class A2 Notes**" means further Class A2 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A2 Notes.

"**Further Class A3 Notes**" means further Class A3 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A3 Notes.

"**Further Class A4 Notes**" means further Class A4 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A4 Notes.

"**Further Class A5 Notes**" means further Class A5 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A5 Notes.

"**Further Class A6 Notes**" means further Class A6 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class A6 Notes.

"**Further Class AB2 Notes**" means further Class AB2 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class AB2 Notes.

"**Further Class B1 Notes**" means further Class B1 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class B1 Notes.

"**Further Class B2 Notes**" means further Class B2 Notes issued in bearer form carrying the same terms and conditions in all respects (except in relation to the first Interest Period and the other matters set out in Condition 19(a) (*Further and New Note Issues – Further Notes and New Notes*)) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the Class B2 Notes.

"**Further Notes**" has the meaning given to it in Condition 19(a)(i) (*Further and New Note Issues – Further Notes and New Notes*).

"**Further Term Advance**" means any advance made under a Further Term Facility.

"**Further Term Facility**" means a further term facility which may be requested by the Borrower and any Additional Borrower at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee and the Rating Agencies) ranking *pari passu* with the relevant Term Facility pursuant to clause 2.3 of the Issuer/Borrower Facility Agreement and is made available to such Borrower by the Issuer in accordance with and subject to clause 2.6 of the Issuer/Borrower Facility Agreement.

"**Further Transaction Documents**" means:

(a) the Master Amendment Deed;

(b) a deed of amendment and restatement relating to the GK Security Deed dated on or about the Second Closing Date and made between the parties to the GK Security Deed;

(c) the First Supplemental Note Trust Deed;

(d) the First Supplemental Issuer Deed of Charge;

(e) the First Supplemental Borrower Deed of Charge;

(f) the Second Funds Flow Agreement;

(g) the Second Initial Borrower Asset Transfer Agreement;

(h) the Second Supplemental Note Trust Deed;

(i) the Second Supplemental Issuer Deed of Charge;

(j) the Second Supplemental Borrower Deed of Charge;

(k) the Third Funds Flow Agreement;

(l) the Third Initial Borrower Asset Transfer Agreement;

(m) an interest rate swap confirmation between the Issuer, RBS as Swap Counterparty and the Issuer Security Trustee dated on or about 2 May 2006;

(n) an interest rate swap confirmation between the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee dated on or about the Second Closing Date;

(o) a letter agreement dated on or about the Second Closing Date amending the terms of the Interest Rate Swap Agreement between the Issuer, RBS as Swap Counterparty and the Issuer Security Trustee;

(p) a letter agreement dated on or about the Second Closing Date amending the terms of the Issuer/Borrower Swap Agreement between the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee; and

(q) any other documents designated as such by the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee.

“**GK Group**” means Greene King and each of its direct and indirect subsidiaries (including the Obligors, Supply Co and Management Co).

“**GK Security Deed**” means the security deed entered into on or about the First Closing Date as amended on the Second Closing Date and the Third Closing Date and as further amended on the Fourth Closing Date between, *inter alios,* Greene King, the Obligors and the GK Security Trustee pursuant to which Greene King grants certain security in respect of certain of its obligations under the Tax Deed of Covenant.

“**GKB&R**” means Greene King Brewing and Retailing Limited, a private limited company incorporated in England and Wales with company number 03298903 whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

“**Global Notes**” has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*).

“**Greene King**” means Greene King plc, a listed public company with limited liability incorporated under the laws of England and Wales with company number 00024511 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

“**Gross Redemption Yield**” has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

“**HSBC**” means HSBC Bank plc.

“**Independent Director**” means a duly appointed member of the board of directors of the relevant entity who should not have been, at the time of such appointment, or at any time in the preceding five years a direct or indirect legal or beneficial owner in such entity or any of its affiliates (excluding *de minimis* ownership interests).

“**Initial Account Bank**” means Lloyds Bank plc acting through its branch at 10 Gresham Street, London EC2V 7AE, as account bank to the Issuer and certain of the Obligors, or such other entity or entities appointed as Initial Account Bank from time to time, subject to and in accordance with the terms of the Account Bank and Cash Management Agreement.

“**Initial Borrower**” means Greene King Retailing Limited, a private limited company incorporated under the laws of England and Wales with company number 05265451 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

“**Initial Borrower Subordinated Loan Agreement**” means a subordinated loan agreement dated the First Closing Date between, *inter alios,* Greene King and the Initial Borrower as amended on the Second Closing Date and the Third Closing Date and as further amended on or about the Fourth Closing Date, pursuant to which Greene King has as at the Fourth Closing Date (immediately before the advance of the Third Subordinated Loan) lent in aggregate £393,669,986 of subordinated debt to the Initial Borrower.

“**Initial Borrower Supplemental Mortgages**” means the supplemental mortgages dated 19 September 2005, 10 August 2006, 31 March 2007, 6 September 2007, 14 March 2008, 2 May 2008, 19 January 2010, 24 March 2010, 29 April 2010, 4 February 2011, 15 July 2011, 8 August 2011, 26 April 2012, 28 April 2013, 2 May 2014, 8 May 2014, 2 June 2014, 6 June 2014, 2 March 2015 and 26 May 2016 each entered into between the Initial Borrower and the Borrower Security Trustee and supplementing the Original Borrower Deed of Charge (as amended and supplemented by the First Supplemental Borrower Deed of Charge and Second Supplemental Borrower Deed of Charge).

“**Initial Term Advance**” means any advance made under the Initial Term Facilities.

“**Initial Term A1 Advance**” means the Initial Term Advance under the Initial Term A1 Facility.

“**Initial Term A1 Facility**” has the meaning given to it in clause 2.1(a) of the Issuer/Borrower Facility Agreement.

“**Initial Term A2 Advance**” means the Initial Term Advance under the Initial Term A2 Facility.

"**Initial Term A2 Facility**" has the meaning given to it in clause 2.1(b) of the Issuer/Borrower Facility Agreement.

"**Initial Term B1 Advance**" means the Initial Term Advance under the Initial Term B1 Facility.

"**Initial Term B1 Facility**" has the meaning given to it in clause 2.1(c) of the Issuer/Borrower Facility Agreement.

"**Initial Term Facilities**" means the Initial Term A1 Facility, the Initial Term A2 Facility and the Initial Term B1 Facility and excluding, for the avoidance of doubt, any Second Term Facility, any Third Term Facility, any Fourth Term Facility, any Further Term Facility or any New Term Facility.

"**Insolvency Event**" means:

(a) the Issuer is unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts;

(b) the value of the assets of the Issuer is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

(c) a moratorium is declared in respect of any indebtedness of the Issuer;

(d) the commencement of negotiations with one or more creditors of the Issuer with a view to rescheduling any indebtedness of the Issuer;

(e) any corporate action, legal proceedings or other procedure or step is taken (whether out of court or otherwise) in relation to:

  (i) the appointment of an Insolvency Official (excluding the Issuer Security Trustee or a Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed of Charge) in relation to the Issuer or in relation to the whole or any part of the undertaking of the Issuer;

  (ii) an encumbrancer (excluding the Issuer Security Trustee or any Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed of Charge) taking possession of the whole or any part of the undertaking or assets of the Issuer;

  (iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditors (or any class of creditors) of the Issuer, a reorganisation of the Issuer, a conveyance to or assignment for the benefit of creditors of the Issuer (or any class of creditors) or the making of an application to a court of competent jurisdiction for protection from the creditors of the Issuer (or any class of creditors); or

  (iv) any analogous procedure or step is taken in any jurisdiction; or

(f) any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of the Issuer (excluding by the Issuer Security Trustee or any Receiver appointed by the Issuer Security Trustee pursuant to the Issuer Deed of Charge) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 30 days.

"**Insolvency Official**" means, in respect of any company, a liquidator (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Note Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding), provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

"**Insolvency Proceedings**" means the winding-up, dissolution, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official.

"**Interest Amounts**" has the meaning given to it in Condition 6(d) (*Interest – Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts*).

"**Interest Determination Date**" means each Interest Payment Date or, in the case of the first Interest Period relating to the Original Notes, the First Closing Date or, in the case of the first Interest Period relating to the Second Issue Notes, the Second Closing Date or, in the case of the first Interest Period relating to the Third Issue Notes, the Third Closing Date or, in the case of the Fourth Issue Notes, the Fourth Closing Date and in relation to an Interest Period, the "**related Interest Determination Date**" means the Interest Determination Date which falls on the first day of such Interest Period.

"**Interest Payment Date**" means 15 June, 15 September, 15 December and 15 March in each calendar year unless that date is not a Business Day in which case it shall be the next succeeding Business Day unless such day falls in the next month, in which case it shall be the preceding Business Day.

"**Interest Period**" has the meaning given to it in Condition 6(b) (*Interest – Interest Payment Dates and Interest Periods*).

"**Interest Rate Swap Agreement**" means:

(a) the ISDA Master Agreement and schedule thereto entered into between the Issuer, the Issuer Security Trustee and RBS as a Swap Counterparty on the First Closing Date, as amended and/or restated from time to time including as amended and restated on or about the Fourth Closing Date and includes, where the context permits, any confirmations entered into under, and governed by, such master agreement (and any replacement interest rate swap agreement(s));

(b) the ISDA Master Agreement and schedule thereto entered into between the Issuer, the Issuer Security Trustee and ANTS as a Swap Counterparty on 16 December 2015, as amended and/or restated from time to time including as amended and restated on or about the Fourth Closing Date and includes, where the context permits, any confirmations entered into under, and governed by, such master agreement (and any replacement interest rate swap agreement(s)); and

(c) any additional swap agreement(s) entered into by the Issuer from time to time and specified by the Issuer as an "Interest Rate Swap Agreement".

"**Interest Residual Amount**" has the meaning given to it in Condition 18(a) (*Subordination and Deferral – Interest and Step-Up Fees*).

"**Intra Group Supply Agreement**" means the supply agreement dated the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and made between, *inter alios,* GKB&R, the Initial Borrower and the Borrower Security Trustee.

"**IP Licence Agreement**" means the intellectual property licence agreement dated the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on or about the Fourth Closing Date and made between, *inter alios,* GKB&R, the Initial Borrower and the Borrower Security Trustee.

"**IP Licences**" means together the IP Licence Agreement and any licences in respect of intellectual property rights or business know how used in respect of the Securitisation Estate granted to the Initial Borrower on or after the First Closing Date.

"**Irish Paying Agent**" has the meaning given in the recitals to these Conditions.

"**Issuer**" has the meaning given in the recitals to these Conditions.

"**Issuer Accounts**" means the Issuer Transaction Account and the Liquidity Facility Reserve Accounts, together with any other account of the Issuer which may be opened from time to time pursuant to or in accordance with the Issuer Transaction Documents.

"**Issuer/Borrower Facility Agreement**" means the secured facility agreement dated the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on or about the Fourth Closing Date and made between, *inter alios,* the Issuer, the Obligors, the Cash Manager and the Borrower Security Trustee.

"**Issuer/Borrower Swap Agreement**" means the back-to-back ISDA Master agreement and schedule thereto dated the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on or about the Fourth Closing Date and made between the Issuer and the Initial Borrower and includes, where the context permits, any confirmations entered into under, and governed by, such master agreement.

"**Issuer Deed of Charge**" has the meaning given in the recitals to these Conditions.

"**Issuer Parent**" means Greene King Finance Parent Limited, a private company with limited liability incorporated under the laws of England with company number 05320993 and whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX.

"**Issuer Post-Acceleration Priority of Payments**" means the provisions relating to the order of priority of payments set out in clause 7.2 of the Issuer Deed of Charge.

"**Issuer Pre-Acceleration Priority of Payments**" means the provisions relating to the order of priority of payments from the Issuer Accounts set out in clause 5.2 of the Issuer Deed of Charge.

"**Issuer Priorities of Payments**" means the Issuer Pre-Acceleration Priority of Payments, and/or after the delivery of a Note Enforcement Notice to the Issuer by the Issuer Security Trustee, the Issuer Post-Acceleration Priority of Payments.

"**Issuer Secured Creditors**" means each of:

(a) the Issuer Security Trustee;

(b) the Note Trustee;

(c) the Class A1 Noteholders;

(d) the Class A2 Noteholders;

(e) the Class A3 Noteholders;

(f) the Class A4 Noteholders;

(g) the Class A5 Noteholders;

(h) the Class A6 Noteholders;

(i) the Class AB2 Noteholders;

(j) the Class B1 Noteholders;

(k) the Class B2 Noteholders;

(l) any holders of any New Notes;

(m) the Liquidity Facility Providers (and any facility agent and arranger under the Liquidity Facility Agreements);

(n) the Agent Bank;

(o) the Initial Account Bank;

(p) the Cash Manager;

(q) the Initial Borrower;

(r) the Corporate Services Provider;

(s) the Principal Paying Agent;

(t) the Irish Paying Agent;

(u) the Swap Counterparties; and

(v) (if applicable), any Couponholders,

together with any other creditor of the Issuer who may be a party to, or accede to, the terms of the Issuer Deed of Charge from time to time in accordance with the terms thereof and is designated an Issuer Secured Creditor.

"**Issuer Secured Liabilities**" means the aggregate of all monies, obligations and Liabilities, present and future and whether actual or contingent, which from time to time are or may become due, owing or payable by the Issuer to each of the Issuer Secured Creditors under the Notes or any of the other Issuer Transaction Documents.

"**Issuer Security**" means the Security Interests created by or pursuant to the Issuer Deed of Charge and the other Issuer Security Documents.

"**Issuer Security Documents**" means:

(a) the Issuer Deed of Charge;

(b) each Scottish Supplemental Issuer Deed of Charge;

(c) each Scottish Second Supplemental Issuer Deed of Charge;

(d) any power of attorney executed and delivered by the Issuer pursuant to the terms of any Issuer Security Document; and

(e) any other document or instrument granted in favour of the Issuer Security Trustee (on behalf of the Issuer Secured Creditors) creating or evidencing the security for all or any part of the Issuer Secured Liabilities,

and "**Issuer Security Document**" shall be construed accordingly.

"**Issuer Security Trustee**" means HSBC Trustee (C.I.) Limited in its capacity as security trustee for the Issuer Secured Creditors, whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands, or such other entity or entities appointed as security trustee for the Issuer Secured Creditors from time to time, subject to and in accordance with the terms of the Issuer Deed of Charge.

"**Issuer Transaction Account**" means the account designed the "Issuer Transaction Account" held in the name of the Issuer and maintained with the Initial Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the Initial Account Bank or at a bank which is an Eligible Bank and a Qualifying Bank in replacement of such account.

"**Issuer Transaction Documents**" has the meaning given to it in the recitals to these Conditions.

"**Joint Lead Managers**" means The Royal Bank of Scotland plc and HSBC Bank plc.

"**Liabilities**" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever including legal fees and any Taxes and penalties incurred by that person.

"**LIBOR**" means:

(a) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any person which takes over the administration of that rate) for the relevant currency and period displayed on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) (the "**Screen Rate**") (rounded to five decimal places with the mid-point rounded upwards) calculated on the basis of the number of days in such Interest Period and the Screen Rate at or about 11.00 a.m. (London time) on such date and, in relation to the Original Notes, in the case of the first Interest Period following the First Closing Date only, the rate obtained by the linear interpolation of the rate of three month and four month Sterling deposits in the market calculated on the basis of the actual number of days in such Interest Period and, in relation to the Second Issue Notes in the case of the first Interest Period following the Second Closing Date only, the rate obtained by the linear interpolation of the rate of one month and two month Sterling deposits in the market calculated on the basis of the actual number of days in such Interest Period and, in relation to the Third Issue Notes in the case of the first Interest Period following the Third Closing Date only, the rate obtained by the linear interpolation of the rate of two month and three month Sterling deposits in the market calculated on the basis of the actual number of days in such Interest Period and, in relation to the Fourth Issue Notes in the case of the first Interest Period following the Fourth Closing Date only, the rate obtained by the linear interpolation of the rate of 2 weeks and 1 month sterling deposits in the market calculated on the basis of the actual number of days in such Interest Period; or

(b) if the Screen Rate is not then available for three months (or, where required, four or five months Sterling deposits), then the rate for the relevant Interest Period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Agent Bank at its request by each of the Reference Banks as the rate at which three month Sterling deposits (or, in the case of the first Interest Period following the First Closing Date only, three and four month Sterling deposits) in an amount of £10,000,000 are offered for the same period as that Interest Period by that Reference Bank to leading banks in the London interbank market at or about 11.00 a.m. (London time) on that date. If on any such Interest Determination Date, two only of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Note Trustee and the Issuer for the purposes of agreeing one additional bank to provide such a quotation or quotations to the Agent Bank (which bank is in the opinion of the Note Trustee suitable for such purpose) and the rate for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as are so agreed. If no such bank or banks is or are so agreed or such bank or banks as are so agreed does or do not provide such a quotation or quotations, then the rate for the relevant Interest Period shall be the rate in effect for the last preceding Interest Period to which sub-paragraph (a) above shall have applied and, in relation to the Original Notes in respect of the first Interest Period following the First Closing Date, in relation to the Second Issue Notes in respect of the first Interest Period following the Second Closing Date, in relation to the Third Issue Notes in respect of the first Interest Period following the Third Closing Date and in relation to the Fourth Issue Notes in respect of the first Interest Period following the Fourth Closing Date only, shall be the arithmetic mean of the rates quoted by such other leading banks in the London Interbank Market selected by the Agent Bank and approved by the Note Trustee on the relevant Interest Determination Date.

"**Liquidity Facilities**" means the committed, sterling, revolving liquidity facilities made available to the Issuer by the Liquidity Facility Providers in accordance with the terms of the Liquidity Facility Agreements and "**Liquidity Facility**" means any of them.

"**Liquidity Facility Agreements**" means:

(a) the facility agreement dated on or about the First Closing Date and made between, *inter alios,* the Issuer, RBS as a Liquidity Facility Provider and the Issuer Security Trustee and any facility agent and arranger under such Liquidity Facility Agreement as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on or about the Fourth Closing Date;

(b) the facility agreement dated on or about the Fourth Closing Date and made between, *inter alios*, the Issuer, HSBC as a Liquidity Facility Provider and the Issuer Security Trustee and any facility agent and arranger under the such Liquidity Facility Agreement; and

(c) any additional facility agreement entered into by the Issuer from time to time and specified by the Issuer and the Issuer Security Trustee as a "Liquidity Facility Agreement",

and "**Liquidity Facility Agreement**" means any of them.

"**Liquidity Facility Providers**" means:

(a) HSBC Bank plc in its capacity as liquidity facility provider, acting through its office at 8 Canada Square, London E14 5HQ, United Kingdom;

(b) The Royal Bank of Scotland plc in its capacity as liquidity facility provider, acting through its office at 135 Bishopsgate, London EC2M 3UR; and

(c) any other entity or entities appointed as liquidity facility provider or which is a permitted assignee/transferee of an existing Liquidity Facility Provider from time to time, subject to and in accordance with the terms of the relevant Liquidity Facility Agreement and provided that such entity has acceded to the Issuer Deed of Charge,

and "**Liquidity Facility Provider**" means any of them.

"**Liquidity Facility Reserve Account**" means each of (i) any account designated as the "Liquidity Facility Reserve Account" (with a separate account in relation to each Liquidity Facility Provider), held in the name of the Issuer and maintained by the Initial Account Bank or a Liquidity Facility Reserve Account Bank pursuant to the terms of the Account Bank and Cash Management Agreement or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the Initial Account Bank or at a bank which is an Eligible Bank and a Qualifying Bank in addition to or in replacement of such account and (ii) provided that the relevant Liquidity Facility Provider has the Requisite Liquidity Bank Rating, an account of the Issuer opened and maintained with such Liquidity Facility Provider in accordance with the relevant Liquidity Facility Agreement.

"**Liquidity Facility Reserve Account Bank**" means:

(a) Lloyds Bank plc, acting through its office at 10 Gresham Street, London EC2V 7AE, United Kingdom; and

(b) any other entity or entities appointed to maintain a Liquidity Facility Reserve Account as Liquidity Facility Reserve Account Bank.

"**Loan Payment Date**" means 15 June, 15 September, 15 December and 15 March in each year or, if such day is not a Business Day, the next succeeding Business Day unless such day falls in the next month, in which case the preceding Business Day.

"**Management Co**" means Greene King Brewing and Retailing Limited, a private limited company incorporated under the laws of England and Wales with company number 03298903 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

"**Management Services Agreement**" means the management services agreement dated the First Closing Date as amended and restated on the Second Closing Date and on the Third Closing Date and made between, *inter alios,* Management Co, the Employee Cos, the Initial Borrower and the Borrower Security Trustee.

"**Master Amendment Deed**" means the master deed of amendment dated on or about the Second Closing Date made between, *inter alios,* the Issuer, the Obligors, the Agents, RBS as the Liquidity Facility Provider and the Swap Counterparties on such date pursuant to which, *inter alia,* amendments were effected to certain terms of the Transaction Documents.

"**Master Definitions and Construction Schedule**" means the master definitions and construction schedule signed by Freshfields Bruckhaus Deringer and Linklaters on or about the First Closing Date, as amended and restated on the Second Closing Date and on the Third Closing Date and as further amended and restated on the Fourth Closing Date.

"**Minimum Fitch Long-Term Rating**" means, in respect of any person, such person's long-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "BBB+" by Fitch.

"**Minimum Fitch Short-Term Rating**" means, in respect of any person, such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "F2" by Fitch.

"**Minimum Short-Term Ratings**" means, in respect of any person, such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "F1" by Fitch and at least "A-1" by S&P.

"**Minimum S&P Swap Counterparty Ratings**" means, in respect of any person, either:

(a) such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "A-1" by S&P or, if such person's short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P, such person's long-term unsecured and unguaranteed debt obligations being rated at least "A+" by S&P; or

(b) if such person is a bank, broker/dealer, insurance company, structured investment vehicle or derivative product company, such person's short-term unsecured, unsubordinated and unguaranteed debt obligations being rated at least "A-2" by S&P and, if such person's short-term unsecured, unsubordinated and unguaranteed debt obligations are not rated by S&P, such person's long-term unsecured and unguaranteed debt obligations being rated at least "BBB+" by S&P and in each case such person provides collateral equal to 100 per cent. of the mark-to-market value of the swap transactions entered into with such person.

"**Moody's**" means Moody's Investor Services Limited or any successor to its rating business.

"**Mortgaged Property**" means a freehold or leasehold property interest or (in Scotland) a heritable or long leasehold property interest over which an Obligor has granted a mortgage, standard security, fixed charge or floating charge (as applicable) pursuant to the terms of the Borrower Security Documents.

"**Most Senior Class of Notes**" means the Class A Notes for so long as there are any Class A Notes outstanding and thereafter the Class AB2 Notes for so long as there are any Class AB2 Notes outstanding and thereafter the Class B Notes for so long as there are any Class B Notes outstanding save that, if and to the extent that any class of New Notes is issued and remains outstanding, the expression shall mean the class or classes of Notes then outstanding which rank senior to each and every other class of Notes then outstanding in the relevant Issuer Priority of Payments.

"**New Notes**" has the meaning given to it in Condition 19(a)(ii) (*Further and New Note Issues – Further Notes and New Notes*) or, where the context so requires, any of them.

"**New Term Advance**" means any advance made under a New Term Facility.

"**New Term Facility**" means a new term facility which may be requested by a Borrower at any time by written notice to the Issuer (with a copy to the Borrower Security Trustee and the Rating Agencies) and which can rank *pari passu* with the existing Term A Facilities or below the Term A Facilities but ahead of the Term AB2 Facility and the Term B Facilities or which can rank *pari passu* with the existing Term AB2 Facility or below the Term AB2 Facility but ahead of the Term B Facilities or *pari passu* with the existing Term B Facilities or below the Term B Facilities pursuant to clause 2.6 of the Issuer/Borrower Facility Agreement and made available to such Borrower by the Issuer in accordance with and subject to clause 2.8 of the Issuer/Borrower Facility Agreement.

"**Note Acceleration Notice**" has the meaning given to it in Condition 11(a) (*Note Events of Default – Default Events*).

"**Note Enforcement Notice**" has the meaning given to it in Condition 12 (*Enforcement*).

"**Note Event of Default**" has the meaning given to it in Condition 11(a) (*Note Events of Default – Default Events*).

"**Note Guarantee**" has the meaning given to it in Condition 3(g) (*Status and Ranking of the Notes-Note Guarantee, Status Ranking and Relationship between the Notes and the New Notes*.)

"**Note Guarantor**" means Greene King Retailing Limited.

"**Note Principal Payments**" has the meaning given to it in Condition 7(e) (*Redemption, Purchase and Cancellation – Mandatory Redemption following acceleration of Term Advances*).

"**Note Trust Deed**" has the meaning given in the recitals to these Conditions.

"**Note Trustee**" means HSBC Trustee (C.I.) Limited whose registered office is at HSBC House, Esplanade, St. Helier, Jersey JE1 1GT, Channel Islands or any other person or persons for the time being acting as trustee or trustees pursuant to the Note Trust Deed.

"**Noteholders**" means:

(a) in relation to any Note represented by a Global Note, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular Principal Amount Outstanding of those Notes, for which purpose any certificate or letter of confirmation (or any other form of record made by any of them) as to the Principal Amount Outstanding of Notes standing to the account of any person shall be conclusive and binding on the basis that such person shall be treated by the Issuer, the Note Trustee, the Issuer Security Trustee, the Paying Agents and all other persons as the holder of that Principal Amount Outstanding of those Notes for all purposes other than the right to payments in respect of those Notes which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note, who shall be regarded as the "**Noteholder**" for that purpose; and

(b) in relation to any Definitive Note issued under Condition 2(b) (*Form, Denomination and Title*), the bearer of such Definitive Notes,

and related expressions shall be construed accordingly.

"**Notes**" means the Class A Notes, the Class AB2 Notes, the Class B Notes, any New Notes, the Global Notes and the Definitive Notes or, where the context so requires, any of them.

"**Obligors**" means the Initial Borrower, the Securitisation Group Parent and, where the context requires, includes any Additional Borrower.

"**Original Borrower Deed of Charge**" means the deed of charge dated the First Closing Date and made between, *inter alios,* the Obligors and the Borrower Security Trustee.

"**Original Issuer Deed of Charge**" means the deed of charge dated the First Closing Date and made between, *inter alios*, the Issuer, the Liquidity Facility Provider, RBS as the Swap Counterparty, the Cash Manager, the Initial Account Bank, the Paying Agents, the Agent Bank and the Issuer Security Trustee.

"**Original Notes**" means the Class A1 Notes, Class A2 Notes and Class B1 Notes issued on the First Closing Date.

"**Original Note Trust Deed**" means the note trust deed dated on or about the First Closing Date between the Issuer and the Note Trustee pursuant to which the Original Notes were constituted.

"**outstanding**" means, in relation to the Notes, all of the Notes issued other than:

(a) those Notes which have been redeemed in full or purchased, and cancelled, in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) or otherwise under the Note Trust Deed;

(b) those Notes in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption monies for which (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been provided or published in accordance with Condition 17 (*Notices to Noteholders*)) and remain available for payment against presentation of the relevant Notes and Coupons;

(c) those Notes which have become void under Condition 10 (*Prescription*);

(d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*);

(e) for the purpose only of ascertaining the Principal Amount Outstanding of the Notes and without prejudice to the status, for any other purpose, of the relevant Notes, those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*);

(f) the Temporary Global Notes to the extent that they have been exchanged for Permanent Global Notes pursuant to the provisions contained therein and in clause 3 of the Note Trust Deed;

(g) the Permanent Global Notes that remain in escrow pending exchange of the Temporary Global Notes therefore, pursuant to the provisions contained therein and in the Note Trust Deed; and

(h) the Permanent Global Notes to the extent that they have been exchanged for Definitive Notes, pursuant to the provisions contained therein and in the Note Trust Deed,

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of the Noteholders;

(ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 6.3, clause 9 and clause 10 of the Note Trust Deed, Conditions 11 (*Note Events of Default*) and 12 (*Enforcement*) and Schedule 4 to the Note Trust Deed;

(iii) any discretion, power or authority contained in the Note Trust Deed which the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Noteholders; and

(iv) the determination by the Note Trustee whether any of the events specified in Condition 11 (*Note Events of Default*) is materially prejudicial to the interest of the Noteholders,

those Notes which, for the time being, are held by the Issuer or any member of the GK Group, or by any person for the benefit of the Issuer or any member of the GK Group shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

"**Paying Agents**" has the meaning given in the recitals to these Conditions.

"**Permanent Global Notes**" means each Class A1 Permanent Global Note, each Class A2 Permanent Global Note, each Class A3 Permanent Global Note, each Class A4 Permanent Global Note, each Class A5 Permanent Global Note, each Class A6 Permanent Global Note, each Class AB2 Permanent Global Note, each Class B1 Permanent Global Note, each Class B2 Permanent Global Note and each permanent global note in respect of an issue of New Notes.

“**Principal Amount Outstanding**” means, on any date in relation to a Note, its original principal amount less the aggregate amount of all Amortisation Amounts and Note Principal Payments in respect of such Note that have been paid by the Issuer in respect of that Note on or prior to that date.

“**Principal Paying Agent**” has the meaning given in the recitals to these Conditions.

“**Provisions for Meetings of Noteholders**” means the provisions contained in Schedule 4 (*Provisions for Meetings of Noteholders*) to the Note Trust Deed.

“**Qualifying Bank**” means an institution which is a bank for the purposes of section 879 of the Income Tax Act 2007 as amended or replaced from time to time.

“**Rate of Interest**” has the meaning given to it in Condition 6 (*Interest*).

“**Rating Agencies**” means Fitch and S&P and “**Rating Agency**” means any of them.

“**Ratings Test**” means, in connection with any modification of, waiver or authorisation of, any breach or proposed breach of, or consent under, any Transaction Document, confirmation by the Rating Agencies in writing to the Issuer (a copy of which is provided to the Note Trustee) that any such action under or in relation to the Transaction Documents or the Notes will not result in the withdrawal, reduction or any other adverse action with respect to the then current ratings of the Notes, provided that for the purposes of each Transaction Document, the Conditions and the Notes, where any agreement or action is expressed to be subject to obtaining a confirmation (including as referred to as part of the Ratings Test) from the Rating Agencies that an agreement or an action under or in relation to the Transaction Documents, the Conditions or the Notes will not result in the withdrawal, reduction or any other adverse action with respect to the current rating (if any) of the Notes, a Liquidity Facility, and/or an Interest Rate Swap Agreement (a “**Relevant Confirmation**”), such obligation shall be modified such that if a person who seeks to obtain a Relevant Confirmation is unable to obtain it because: (a) any Rating Agency does not respond to a request to provide a Relevant Confirmation within 10 Business Days after such request is made; or (b) any Rating Agency provides a waiver or acknowledgement indicating its decision not to review or otherwise declining to review the matter for which the Relevant Confirmation is sought, and in each case for (a) and (b) there has been a telephone conference call or other communication in respect of such agreement or action between the appropriately authorised person(s) of the relevant Rating Agency and the Note Trustee, Issuer Security Trustee and/or Borrower Security Trustee in which the relevant Rating Agency has explained its position to the relevant trustee’s satisfaction, then the requirement to have a Relevant Confirmation from the relevant Rating Agency in order to agree to, or take, such action under or in relation to the Transaction Documents, Conditions or the Notes shall be deemed not to apply and none of the Note Trustee, the Borrower Security Trustee no the Issuer Security Trustee, as applicable, shall be liable to the Note Trustee, Borrower Secured Creditors, Issuer Secured Creditors or any of them for the consequences thereof.

“**RBS**” means The Royal Bank of Scotland plc.

“**Receiver**” means any receiver, manager, receiver and manager or administrative receiver who (in the case of an administrative receiver) is a qualified person in accordance with the Insolvency Act 1986 and who is appointed by the Issuer Security Trustee under clause 11.10 of the Issuer Deed of Charge in respect of the whole or any part of the property secured by the Issuer under the Issuer Deed of Charge or, as applicable, who is appointed by the Borrower Security Trustee under clause 13 of the Borrower Deed of Charge in respect of the whole or part of the property secured under the Borrower Deed of Charge.

“**Redemption Amount**” has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

“**Reference Banks**” means the principal London offices of The Royal Bank of Scotland plc, Lloyds Bank plc, HSBC Bank plc and Barclays Bank plc or any duly appointed substitute reference bank(s) as may be approved in writing by the Note Trustee.

“**Reference Date**” has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

"**Reference Market Makers**" has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*).

"**Relevant Confirmation**" has the meaning given to such term in the definition of "Ratings Test".

"**Relevant Coupons**" has the meaning given to it in Condition 8(d)(i)(B)(1)(*Payments – Deductions for Unmatured Coupons for Fixed Rate Notes and Unmatured Coupons for Floating Rate Notes Void – Deductions for Unmatured Coupons for Fixed Rate Notes*).

"**Relevant Treasury Stock**" has the meaning given to it in Condition 7(c)(i) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility*).

"**Relevant Year**" means a period of four consecutive Financial Quarters, provided that any calculation of a ratio or an amount shall be made:

(a) in respect of the Financial Quarter ending on 1 May 2005, for the period from (and including) the First Closing Date to (and including) 1 May 2005;

(b) in respect of the Financial Quarter ending on 24 July 2005, for the period from (and including) the First Closing Date to (and including) 24 July 2005;

(c) in respect of the Financial Quarter ending on 16 October 2005, for the period from (and including) the First Closing Date to (and including) 16 October 2005; and

(d) in respect of the Financial Quarter ending on 8 January 2005, for the period from (and including) the First Closing Date to (and including) 8 January 2005.

"**Requisite Liquidity Bank Rating**" means a minimum short-term rating of F1 (from Fitch) and a minimum short-term rating of A-1 (from S&P) or such other ratings as may be agreed with the Rating Agencies from time to time.

"**S&P**" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies Inc. or any successor to its rating business.

"**Sapphire Companies**" means together Sapphire Food North East No. 1 Limited (company number 04524259), Sapphire Food South West No.2 Limited (company number 04524261), Sapphire Food North West No.3 Limited (company number 04524286), Sapphire Food South East No.4 Limited (company number 04524297) and Sapphire Rural Destination No.5 Limited (company number 04524306).

"**Scottish Second Supplemental Issuer Deed of Charge**" means any assignation in security made in favour of the Issuer Security Trustee pursuant to clause 3.6 of the Third Supplemental Issuer Deed of Charge substantially in the form set out in Schedule 3 to the Third Supplemental Issuer Deed of Charge.

"**Scottish Supplemental Issuer Deed of Charge**" means any assignation in security made in favour of the Issuer Security Trustee pursuant to the Second Supplemental Issuer Deed of Charge substantially in the form set out in the Second Supplemental Issuer Deed of Charge.

"**Screen Rate**" has the meaning given to it in the definition of "**LIBOR**" above.

"**Second Closing Date**" means 8 May 2006.

"**Second Funds Flow Agreement**" means the agreement relating to the flow of funds on the Second Closing Date dated the Second Closing Date between, *inter alios,* Greene King, the Initial Borrower, GKB&R and certain other members of the GK Group.

"**Second Initial Borrower Asset Transfer Agreement**" means the business transfer agreement dated on or about the Second Closing Date and entered into between, *inter alios,* GKB&R and the Initial Borrower.

“**Second Issue Notes**” means the Class A3 Notes, Class A4 Notes and Class B2 Notes issued on the Second Closing Date.

“**Second Master Amendment Deed**” means the second master deed of amendment dated on or about the Third Closing Date made between, *inter alios,* the Issuer, the Obligors, the Agents, RBS as the Liquidity Facility Provider and the Swap Counterparty pursuant to which, *inter alia,* amendments were effected to certain terms of the Transaction Documents.

“**Second Supplemental Borrower Deed of Charge**” means the deed of charge dated on or about the Third Closing Date between The Belhaven Pubs Limited, Belhaven Brewery Company Limited, Hardys & Hansons Limited, Bank of Scotland plc and each of the parties to the Original Borrower Deed of Charge and the First Supplemental Borrower Deed of Charge.

“**Second Supplemental Issuer Deed of Charge**” means the deed of charge dated on or about the Third Closing Date between each of the parties to the Original Issuer Deed of Charge and the First Supplemental Issuer Deed of Charge.

“**Second Supplemental Note Trust Deed**” means a note trust deed dated on or about the Third Closing Date supplemental to the Original Note Trust Deed (as supplemented by the First Supplemental Note Trust Deed) between the Issuer and the Note Trustee.

“**Second Term Advance**” means any advance made under the Second Term Facilities.

“**Second Term A3 Advance**” means the Second Term Advance under the Second Term A3 Facility.

“**Second Term A3 Facility**” has the meaning given to it in clause 2.2(a) of the Issuer/Borrower Facility Agreement.

“**Second Term A4 Advance**” means the Second Term Advance under the Second Term A4 Facility.

“**Second Term A4 Facility**” has the meaning given to it in clause 2.2(b) of the Issuer/Borrower Facility Agreement.

“**Second Term B2 Advance**” means the Second Term Advance under the Second Term B2 Facility.

“**Second Term B2 Facility**” has the meaning given to it in clause 2.2(c) of the Issuer/Borrower Facility Agreement.

“**Second Term Facilities**” means the Second Term A3 Facility, the Second Term A4 Facility and the Second Term B2 Facility and excluding, for the avoidance of doubt, any Further Term Facility or any New Term Facility.

“**Second Subscription Agreement**” means the subscription agreement in relation to the Second Issue Notes dated 3 May 2006 and made between, *inter alios,* the Issuer, the Obligors, Greene King and The Royal Bank of Scotland plc.

“**Securitisation Estate**” means the portfolio of Mortgaged Properties and other assets, undertakings and rights of the members of the Securitisation Group from time to time.

“**Securitisation Group**” means the Initial Borrower and any Additional Borrowers and their direct and indirect subsidiaries and the Securitisation Group Parent.

“**Securitisation Group Parent**” means Greene King Retailing Parent Limited, a private limited company incorporated under the laws of England and Wales with company number 05265454 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

"**Security Interest**" means:

(a) a mortgage, charge, security, pledge, lien, assignment, standard security, assignation, right of set-off, assignment, assignation, hypothecation, security interest or other encumbrance securing any obligation of any person or any agreement or arrangement having a similar effect (including any title transfer and retention arrangement); or

(b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person.

"**Semi-Annual Period**" means the first and second Financial Quarters of each Financial Year.

"**Shortfall**" has meaning given to it in Condition 18(a) (*Subordination and Deferral – Interest and Step-Up Fees*).

"**Specified Office**" means, in relation to any Agent:

(a) the office specified in respect of such Agent in the Agency Agreement; or

(b) such other office as such Agent may specify in accordance with clause 21.8 of the Agency Agreement.

"**Standard Securities**" means each standard security granted by an Obligor in favour of the Borrower Security Trustee over a property located in Scotland or any other heritable or leasehold property in Scotland.

"**Step-Up Amounts**" has the meaning given to it in Condition 6(c)(x) (*Interest – Rates of Interest on the Notes and Step-Up Fees – Class B2 Notes*).

"**Step-Up Fee**" means the Class A5 Step-Up Fee.

"**Step-Up Margin**" means the Class A1 Step-Up Margin, the Class A3 Step-Up Margin, the Class B1 Step-Up Margin and/or the Class B2 Step-Up Margin, as the context may require.

"**Stock Exchange**" means the Irish Stock Exchange Plc.

"**Subscription Agreements**" means together the First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement.

"**Supply Co**" means Greene King Brewing and Retailing Limited, a private limited company incorporated under the laws of England and Wales with company number 03298903 and whose registered office is at Westgate Brewery, Bury St. Edmunds, Suffolk IP33 1QT.

"**Swap Collateral Ledgers**" means:

(a) in relation to RBS as a Swap Counterparty, a ledger of the Issuer Transaction Account entitled the "Swap Collateral Ledger (RBS)";

(b) in relation to ANTS as a Swap Counterparty, a ledger of the Issuer Transaction Account entitled "Swap Collateral Ledger (ANTS)"; and

(c) in relation to any other Swap Counterparty, a ledger of the Issuer Transaction Account for such Swap Counterparty,

in each case, maintained by the Cash Manager in accordance with the Account Bank and Cash Management Agreement and "**Swap Collateral Ledger**" means any one of them.

"**Swap Counterparties**" means:

(a) The Royal Bank of Scotland plc in its capacity as swap counterparty, acting through its office at 135 Bishopsgate, London EC2M 3UR;

(b) Abbey National Treasury Services plc in its capacity as swap counterparty, acting through its office at 2 Triton Square, Regent's Place, London NW1 3AN; and

(c) any other entity or entities appointed as swap counterparty or which is a permitted assignee/transferee of an existing Swap Counterparty from time to time, subject to and in accordance with the terms of the relevant Interest Rate Swap Agreement and provided that such entity has acceded to the Issuer Deed of Charge,

and "**Swap Counterparty**" means any one of them.

"**Swap Counterparty Downgrade**" means a Swap Counterparty ceasing at any time to have at least each of the Minimum S&P Swap Counterparty Ratings, Minimum Fitch Short-Term Rating and Minimum Fitch Long-Term Rating.

"**Swap Excluded Amounts**" means:

(a) if the transactions under an Interest Rate Swap Agreement are terminated in circumstances where the Issuer enters into a replacement interest rate swap agreement, amounts received by the Issuer:

(i) from the relevant Swap Counterparty by way of termination payments relating to the termination of the transactions under such Interest Rate Swap Agreement to the extent of the amount (if any) payable to the replacement swap counterparty in consideration for the entry by such replacement swap counterparty into the replacement interest rate swap agreement and the replacement transactions thereunder; or

(ii) from any replacement swap provider in respect of the entry by the Issuer into the replacement interest rate swap agreement and the replacement transactions thereunder to the extent of the termination payment (if any) due to the replaced Swap Counterparty under such Interest Rate Swap Agreement; and

(b) amounts standing to the credit of the Swap Collateral Ledgers or representing amounts attributable to assets transferred as collateral by a Swap Counterparty following the occurrence of a ratings downgrade of such Swap Counterparty.

"**Talons**" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*).

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

"**Tax**" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of a Tax Authority and "**taxes**", "**taxation**", "**tax**", "**taxable**" and comparable expressions shall be construed accordingly.

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world including H.M. Revenue & Customs.

"**Tax Deed of Covenant**" means the tax deed of covenant entered into on or about the First Closing Date between, *inter alios,* the Initial Borrower, Greene King, GKB&R, the Securitisation Group Parent, the Issuer, the Issuer Parent, the Issuer Security Trustee and the Borrower Security Trustee, as amended and restated on the Second Closing Date and the Third Closing Date and as further amended and restated on the Fourth Closing Date.

"**Temporary Global Notes**" means each Class A1 Temporary Global Note, each Class A2 Temporary Global Note, each Class A3 Temporary Global Note, each Class A4 Temporary Global Note, each Class A5 Temporary Global Note, each Class A6 Temporary Global Note, each Class AB2 Temporary Global Note, each Class B1 Temporary Global Note, each Class B2 Temporary Global Note and each Temporary Global Note in respect of an issue of New Notes.

"**Term A Advances**" means the Term A1 Advances, the Term A2 Advances, the Term A3 Advances, the Term A4 Advances, the Term A5 Advances and the Term A6 Advances or, where the context requires, any of them.

"**Term A Facilities**" means the Term A1 Facility, the Term A2 Facility, the Term A3 Facility, the Term A4 Facility, the Term A5 Facility and the Term A6 Facility or, where the context requires, any of them.

"**Term A1 Advance**" means a Term Advance under the Term A1 Facility.

"**Term A1 Facility**" means an Initial Term A1 Facility and/or a related Further Term Facility, as the context may require.

"**Term A2 Advance**" means a Term Advance under the Term A2 Facility.

"**Term A2 Facility**" means an Initial Term A2 Facility and/or a related Further Term Facility, as the context may require.

"**Term A3 Advance**" means a Term Advance under the Term A3 Facility.

"**Term A3 Facility**" means a Second Term A3 Facility and/or a related Further Term Facility, as the context may require.

"**Term A4 Advance**" means a Term Advance under the Term A4 Facility.

"**Term A4 Facility**" means a Second Term A4 Facility and/or a related Further Term Facility, as the context may require.

"**Term A5 Advance**" means a Term Advance under the Term A5 Facility.

"**Term A5 Facility**" means a Third Term A5 Facility and/or a related Further Term Facility, as the context may require.

"**Term A6 Advance**" means a Term Advance under the Term A6 Facility.

"**Term A6 Facility**" means a Fourth Term A6 Facility and/or a related Further Term Facility, as the context may require.

"**Term AB2 Advance**" means a Term Advance under the Term AB2 Facility.

"**Term AB2 Facility**" means a Fourth Term AB2 Facility and/or a related Further Term Facility, as the context may require.

"**Term Advance**" means an Initial Term Advance, a Second Term Advance, a Third Term Advance, a Fourth Term Advance, a Further Term Advance and/or a New Term Advance, as the context may require.

"**Term B Facilities**" means the Term B1 Facility and the Term B2 Facility or, where the context requires, any of them.

"**Term B1 Advance**" means a Term Advance under the Term B1 Facility.

"**Term B1 Facility**" means an Initial Term B1 Facility and/or a related Further Term Facility, as the context may require.

"**Term B2 Advance**" means a Term Advance under the Term B2 Facility.

"**Term B2 Facility**" means a Second Term B2 Facility and/or a related Further Term Facility, as the context may require.

"**Term Facility**" means an Initial Term Facility, a Second Term Facility, a Third Term Facility, a Fourth Term Facility, a Further Term Facility and/or a New Term Facility, as the context may require.

“**Third Closing Date**” means 30 June 2008.

“**Third Closing Date Transaction Documents**” means:

(a) the Second Master Amendment Deed;

(b) a deed of amendment and restatement relating to the GK Security Deed dated on or about the Third Closing Date and made between the parties to the GK Security Deed;

(c) the Second Supplemental Note Trust Deed;

(d) the Second Supplemental Issuer Deed of Charge;

(e) the Scottish Supplemental Issuer Deed of Charge;

(f) Standard Securities in respect of the Third Issue Further Mortgaged Properties located in Scotland;

(g) Scottish declarations of trust in respect of the Third Issue Further Mortgaged Properties located in Scotland in favour of the Initial Borrower in or substantially in the form set out in the Second Supplemental Borrower Deed of Charge;

(h) the Second Supplemental Borrower Deed of Charge;

(i) the Third Funds Flow Agreement;

(j) the Third Initial Borrower Asset Transfer Agreements;

(k) an interest rate swap confirmation between the Issuer, RBS as Swap Counterparty and the Issuer Security Trustee dated on or about 26 June 2008;

(l) an interest rate swap confirmation between the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee dated on or about the Third Closing Date;

(m) a letter agreement dated on or about the Third Closing Date amending the terms of the Interest Rate Swap Agreement between the Issuer, RBS as Swap Counterparty and the Issuer Security Trustee together with a credit support annex relating to and forming part of such Interest Rate Swap Agreement;

(n) a letter agreement dated on or about the Third Closing Date amending the terms of the Issuer/Borrower Swap Agreement between the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee; and

(o) any other documents designated as such by the Issuer, the Initial Borrower, the Issuer Security Trustee and the Borrower Security Trustee.

“**Third Funds Flow Agreement**” means the agreement relating to the flow of funds on the Third Closing Date dated on or about the Third Closing Date between, *inter alios,* Greene King, the Initial Borrower, GKB&R and certain other members of the GK Group.

“**Third Initial Borrower Asset Transfer Agreements**” means the business transfer agreement dated on or about the Third Closing Date and entered into between, *inter alios,* GKB&R and the Initial Borrower relating to the Third Issue Further Mortgaged Properties located in England and Wales and the business transfer agreement dated on or about the Third Closing Date and entered into between, *inter alios,* GKB&R, Belhaven Group Properties Limited and the Initial Borrower relating to the Third Issue Further Mortgaged Properties located in Scotland.

“**Third Issue Further Mortgaged Properties**” means those Mortgaged Properties transferred to the Securitisation Group on the Third Closing Date, details of which are set out in the Second Supplemental Borrower Deed of Charge, and which are subject to or intended to be subject to a legal mortgage or, in Scotland, Standard Security, in favour of the Borrower Security Trustee under the Second Supplemental Borrower Deed of Charge.

"**Third Issue Notes**" means the Class A5 Notes and Class AB1 Notes issued on the Third Closing Date.

"**Third Master Amendment Deed**" means the third master deed of amendment dated on or about the Fourth Closing Date made between, *inter alios*, the Issuer, the Obligors, the Agents, the Liquidity Facility Providers and the Swap Counterparties pursuant to which, *inter alia*, amendments were effected to certain terms of the Transaction Documents.

"**Third Subscription Agreement**" means the subscription agreement in relation to the Third Issue Notes dated 26 June 2008 and made between, *inter alios,* the Issuer, the Obligors, Greene King and The Royal Bank of Scotland plc.

"**Third Supplemental Borrower Deed of Charge**" means the deed of charge dated on or about the Fourth Closing Date between The Belhaven Pubs Limited, Belhaven Brewery Company Limited, Hardys & Hansons Limited, Bank of Scotland plc and each of the parties to the Original Borrower Deed of Charge, the First Supplemental Borrower Deed of Charge and the Second Supplemental Borrower Deed of Charge.

"**Third Supplemental Issuer Deed of Charge**" means the deed of charge dated on or about the Fourth Closing Date between each of the parties to the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge.

"**Third Supplemental Note Trust Deed**" means a note trust deed dated on or about the Fourth Closing Date supplemental to the Original Note Trust Deed (as supplemented by the First Supplemental Note Trust Deed and Second Supplemental Note Trust Deed) between the Issuer and the Note Trustee.

"**Third Term Advance**" means any advance made under the Third Term Facility.

"**Third Term A5 Advance**" means the Third Term Advance under the Third Term A5 Facility.

"**Third Term A5 Facility**" has the meaning given to it in clause 2.3(a) of the Issuer/Borrower Facility Agreement.

"**Third Term Facility**" means the Third Term A5 Facility and excluding, for the avoidance of doubt, any Further Term Facility or any New Term Facility.

"**Transaction Documents**" means the Issuer Transaction Documents, the Borrower Transaction Documents, the Further Transaction Documents and any other Third Closing Date Transaction Documents.

"**Treaty**" means the Treaty establishing the European Union, as amended by the Treaty on European Union and the Treaty of Amsterdam.

"**Trust Documents**" means the Note Trust Deed and the Issuer Deed of Charge (each as from time to time modified in accordance therewith).

"**Written Resolution**" means, in relation to all or, as the case may be, any class of Notes, a resolution in writing signed by or on behalf of the holders of not less than three-quarters of the aggregate Principal Amount Outstanding of the Notes or, as the case may be, of such class of Notes whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders.

2. Form, Denomination and Title

(a) Each class of the Notes is initially represented by a Temporary Global Note in bearer form, without Coupons or Talons. Each Temporary Global Note will be deposited on behalf of the subscribers of each class of the Notes with a common depositary (the "**Common Depositary**") for Euroclear or Clearstream, Luxembourg on or about the Fourth Closing Date. Upon deposit of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg (as the case may be) will credit each subscriber of the Notes with the principal amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable 40 days after the Fourth Closing Date (the "**Exchange Date**"), provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received, for interests in a Permanent Global Note in bearer form (which will also be deposited with the Common Depositary) representing the same class of Notes, without Coupons or Talons. The expressions "**Global Notes**" and "**Global Note**" mean, respectively (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class or (ii) any Temporary Global Notes or Permanent Global Notes, as the context may require. On the exchange of the Temporary Global Note for the Permanent Global Note of the relevant class, the Permanent Global Notes will remain deposited with the Common Depositary. Title to the Global Notes will pass by delivery. The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances described below.

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

(b) If, while any of the Notes are represented by a Permanent Global Note: (i) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Note Trustee is then in existence, or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which change becomes effective on or after the Fourth Closing Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in respect of the Notes in exchange for the whole outstanding interest in the Permanent Global Note of each class on the later of the Exchange Date and the day falling 30 days after the occurrence of the relevant event.

(c) Definitive Notes of each class (which, if issued, the Definitive Notes for the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class B1 Notes and the Class B2 Notes will be issued in bearer form in denominations of £50,000 and in increments above £50,000 of £1,000) will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and talons for further Coupons ("**Talons**") attached at the time of issue. Title to the Definitive Notes and Coupons shall pass by delivery.

(d) Definitive Notes of each class (which, if issued, the Definitive Notes for the Class A5 Notes and the Class AB1 Notes will be issued in bearer form in denominations of £50,000 and higher integral multiples of £1,000, up to and including £99,000 will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and Talons attached at the time of issue. Title to the Definitive Notes and Coupons shall pass by delivery.

(e) Definitive Notes of each class (which, if issued, the Definitive Notes for the Class A6 Notes and Class AB2 Notes will be issued in bearer form in denominations of £100,000 and higher integral multiples of £1,000, up to and including £199,000 will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and Talons attached at the time of issue. Title to the Definitive Notes and Coupons shall pass by delivery.

(f) The holder of any Note or any Coupon shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note or Coupon, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon and no person shall be liable for so treating such holder.

(g) References to "**Notes**" include the Global Notes and the Definitive Notes.

3. Status and Ranking of the Notes

(a) Status and Ranking of the Class A Notes

The Class A Notes and the Coupons relating thereto constitute direct, secured and unconditional obligations of the Issuer and are secured by the same security over the assets of the Issuer which secures the Class AB2 Notes and the Class B Notes as more fully described in Condition 4 (*Security*). Subject to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*) the Class A Notes rank *pari passu* without preference or priority amongst themselves and, payments of principal, premium (if any) and interest (excluding any Step-Up Amounts) on the Class A Notes rank ahead of, *inter alia,* payments of principal, premium (if any) and interest on the Class AB2 Notes and the Class B Notes.

(b) Status and Ranking of the Class AB2 Notes

The Class AB2 Notes and the Coupons relating thereto constitute direct, secured and unconditional obligations of the Issuer and are secured by the Issuer Security. Subject to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*), the Class AB2 Notes rank *pari passu* without preference or priority amongst themselves and payments of principal, premium (if any) and interest on the Class AB2 Notes rank ahead of, *inter alia,* payments of principal, premium (if any) and interest on the Class B Notes but the Class A Notes (except in relation to any Step-Up Amounts) will rank in priority to the Class AB2 Notes. Subject to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*), prior to enforcement of the Issuer Security, payments of principal, premium (if any) and interest on the Class AB2 Notes are subordinated to, *inter alia,* payments of principal, premium (if any) and interest (excluding any Step-Up Amounts) on the Class A Notes as provided herein and in the Issuer Deed of Charge.

(c) Status and Ranking of the Class B Notes

The Class B Notes and the Coupons relating thereto constitute direct, secured and unconditional obligations of the Issuer and are secured by the Issuer Security. Subject to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*), the Class B Notes rank *pari passu* without preference or priority amongst themselves but the Class A Notes (except in relation to any Step-Up Amounts) and the Class AB2 Notes will rank in priority to the Class B Notes. Subject to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*), prior to enforcement of the Issuer Security, payments of principal, premium (if any) and interest on the Class B Notes are subordinated to, *inter alia,* payments of principal, premium (if any) and interest on the Class A Notes (excluding any Step-Up Amounts) and the Class AB2 Notes as provided herein and in the Issuer Deed of Charge.

(d) Notes as Sole Obligations of the Issuer

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, the Note Trustee, the Issuer Security Trustee, the Paying Agents, the Issuer Parent, any member of the GK Group or any other person, other than the Note Guarantee.

(e) Priorities of Payment

Prior to the delivery of a Note Acceleration Notice, the Issuer is required to apply amounts standing to the credit of the Issuer Transaction Account in accordance with the Issuer Pre-Acceleration Priority of Payments and, following the delivery of a Note Acceleration Notice, in accordance with the Issuer Post-Acceleration Priority of Payments.

(f) Status and Relationship between the Classes of Notes and the Issuer Secured Creditors

The Trust Documents contain provisions requiring the Issuer Security Trustee (in relation to the Issuer Deed of Charge) and the Note Trustee (in relation to the Note Trust Deed) to have regard to the interests of the Noteholders equally as a single class as regards all rights, powers, trusts, authorities, duties and discretions of the Issuer Security Trustee or the Note Trustee (as the case may be) (except where expressly provided otherwise in the Trust Documents and/or these Conditions, including Condition 13 (*Meetings of Noteholders*)), but requiring the Issuer Security Trustee or the Note Trustee (as the case may be) in any such case (save in respect of a Basic Terms Modification) to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding if, in the Issuer Security Trustee's or the Note Trustee's (as the case may be) opinion, there is a conflict between the interests of the holders of such class and any other class of Notes outstanding.

So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Issuer Deed of Charge, the Issuer Security Trustee is only required to have regard to the interests of the Noteholders and not to the interests of the other Issuer Secured Creditors.

The Note Trust Deed and these Conditions contain provisions limiting the powers of the Class AB2 Noteholders and/or the Class B Noteholders and/or the holders of any New Notes which are not at such time the Most Senior Class of Notes then outstanding, *inter alia,* to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution which may affect the interests of the holders of each of the other classes of Notes ranking equally with or senior to such class. Except in certain circumstances set out in the Note Trust Deed and these Conditions (including Condition 13 (*Meetings of Noteholders*)), the Note Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Notes then outstanding, the exercise of which will be binding on all such holders, irrespective of the effect thereof on their interests.

The Issuer Security Trustee and/or the Note Trustee (as the case may be) shall be entitled to take into account, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions and/or any of the Issuer Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any class or sub-class thereof) and any confirmation given by the relevant Rating Agencies that the then current ratings of the applicable subclass, class or classes of Notes, would not be adversely affected by such exercise.

In exercising its rights, powers, trusts, authorities, duties and discretions in accordance with this Condition, the Issuer Security Trustee and/or the Note Trustee (as the case may be) shall disregard any Step-Up Amounts for the purposes of determining whether there are any Notes of a particular class outstanding.

(g) Note Guarantee, Status, Ranking and Relationship between the Notes and the New Notes

The Note Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Note Trust Deed, the Notes and the Coupons. Its obligations in that respect (the "**Note Guarantee**") are contained in the Note Trust Deed.

In the event of an issue of New Notes, the provisions of the Trust Documents, these Conditions and the Agency Agreement, including those concerning the order of priority of payments both prior to, and upon, enforcement of the Issuer Security, will be modified to reflect the issue of such New Notes and the ranking thereof in relation to the Notes.

If any New Notes are issued, the Issuer will immediately advise the Stock Exchange accordingly, lodge a supplemental prospectus with the Stock Exchange and make the supplemental prospectus and any related supplemental agreements available at the Specified Office of the Irish Paying Agent and the Principal Paying Agent.

4. Security

As continuing security for the payment or discharge of the Issuer Secured Liabilities (including all monies payable in respect of the Notes and Coupons and otherwise under the Issuer Deed of Charge (including the remuneration, expenses and other claims of the Note Trustee, the Issuer Security Trustee and any Receiver appointed thereunder)), the Issuer, pursuant to the Issuer Deed of Charge, grants to the Issuer Security Trustee first ranking fixed and floating charges over all of the Issuer's assets and undertaking, including:

(a) an assignment by way of security of its right, title, interest and benefit, present and future, in, to and under the Transaction Documents including the security trusts created under the Borrower Deed of Charge;

(b) charges over the amount from time to time standing to the credit of the Issuer Accounts and any bank or other accounts in which the Issuer may at any time have or acquire any benefit (which Security Interests may take effect as a floating charge and therefore rank behind the claims of certain preferential and other creditors);

(c) a charge over all investments in Eligible Investments permitted to be made pursuant to the Account Bank and Cash Management Agreement (which Security Interests may take effect as a floating charge and therefore rank behind the claims of certain preferential and other creditors); and

(d) a floating charge over all of the assets, undertaking, property and rights whatsoever and wheresoever situated, present and future, of the Issuer not effectively charged by the first ranking security referred to above.

The Issuer Security Trustee will hold the benefit of such Issuer Security on trust for itself and Issuer Secured Creditors.

A security power of attorney will be granted by the Issuer in favour of the Issuer Security Trustee.

Each class of Noteholders will share the benefit of the Issuer Security, upon and subject to the terms of the Issuer Deed of Charge.

5. Covenants

The Issuer covenants that save with the prior written consent of the Issuer Security Trustee or as provided in, or envisaged by any of the Issuer Transaction Documents or the Conditions, the Issuer shall not:

(a) Negative Pledge

create or permit to subsist any Security Interest (unless arising by operation of law) over any of its assets or its undertaking, present or future including any uncalled capital;

(b) Restrictions on activities

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Issuer Transaction Documents or the Conditions provide or envisage that the Issuer will engage;

(ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985) or any employees or premises;

(iii) itself, amend, supplement or otherwise modify its constitutive documents; or

(iv) acquire any leasehold, freehold or heritable property;

(c) Restrictions on disposals of assets

use, invest, convey, assign, transfer, sell, lend, part with or otherwise dispose of or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate right, title or benefit therein, present or future;

(d) Restrictions on dividends or distributions

pay any dividend or make any other distributions to its shareholders or issue any further shares;

(e) Restrictions on financial indebtedness

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any other obligation of any person;

(f) Restrictions on merger

consolidate or merge with any other person or convey or transfer or assign its properties or assets substantially as an entirety to any other person;

(g) No variation or waiver

permit or do any act or thing, with the effect that the validity or effectiveness of any of the Issuer Transaction Documents or the priority of the Security Interests created or evidenced thereby, would be amended, terminated, postponed or discharged, or consent to any variation of, or exercise, any powers of consent or waiver pursuant to the terms of, the Conditions, the Issuer Deed of Charge or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or the Issuer Security or any other person whose obligations form part of the Issuer Security to be released from such obligations, or dispose of any asset forming part of the Issuer Security;

(h) Bank accounts

have an interest in any bank account other than the Issuer Accounts and any other account where it has an interest pursuant to the Issuer Deed of Charge unless such account or interest therein is charged to the Issuer Security Trustee on terms acceptable to it;

(i) VAT

apply to form or become part of any group of companies for VAT purposes (including any group of companies for the purposes of sections 43 to 43D (inclusive) of the Value Added Tax Act 1994) with any other company or group of companies unless required to do so by applicable law or regulations;

(j) Tax residence

do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom or which would lead to it having a permanent establishment in a jurisdiction outside the United Kingdom;

(k) UK Withholding Tax

do any act or thing, or fail to do any act or thing, the effect of which would be that any Obligor would be required to withhold or deduct from any payments by the relevant Obligor to the Issuer under the Issuer/Borrower Facility Agreement or the Issuer/Borrower Swap Agreement any amount for or on account of any Taxes imposed, levied, collected, withheld or assessed by any United Kingdom Tax Authority;

(l) Group payment arrangements

enter into arrangements with respect to the payment of corporation tax pursuant to section 59F of the Taxes Management Act 1970;

(m) Surrender of group relief

offer to surrender to any other company any losses or other amounts which are available:

(i) for surrender by way of group relief under Part 5 of the Corporation Tax Act 2010 except on arm's length terms (including terms for payment of an amount equal to the current applicable rate of corporation tax multiplied by the surrendered amount); or

(ii) to be treated pursuant to sections 963 and 964 of the Corporation Tax Act 2010 as amounts of corporation tax or interest paid by another company;

(n) Capital gains

hold any capital asset save to the extent provided for or envisaged by the Transaction Documents or enter into an election or other arrangements with any company and/or H.M. Revenue & Customs for the deemed transfer to it and/or deemed disposal by it of any asset or part of any asset for the purposes of corporation tax on chargeable gains;

(o) Separate books, accounts, etc.

permit or consent to any of the following occurring:

(i) its books and records being maintained with or co-mingled with those of any other person or entity;

(ii) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;

(iii) its assets or revenues being co-mingled with those of any other person or entity; or

(iv) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(A) separate financial statements in relation to its financial affairs are maintained;

(B) all corporate formalities with respect to its affairs are observed;

(C) separate stationery, invoices and cheques are used; and

(D) any known misunderstandings regarding its separate identity are corrected as soon as possible; and

(p) Independent Director

at any time have fewer than one Independent Director.

6. Interest

(a) Period of Accrual

Subject to the final paragraph of Condition 6(d) (*Interest – Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts*), each Note bears interest on its Principal Amount Outstanding from (and including), in respect of the Class A1 Notes, the Class A2 Notes and the Class B1 Notes, the First Closing Date, in respect of the Class A3 Notes, the Class A4 Notes and the Class B2 Notes, the Second Closing Date, in respect of the Class A5 Notes, the Third Closing Date and in respect of the Class A6 Notes and Class AB2 Notes, the Fourth Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption, unless, upon due presentation, payment of the relevant amount of principal or any part thereof is withheld or refused. In such event, interest will continue to accrue thereon (before and after any decree or judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 17 (*Notices to Noteholders*)) that upon presentation thereof, such payment will be made, provided that upon such presentation, such payment is in fact made.

(b) Interest Payment Dates and Interest Periods

Interest on the Notes will be payable in arrear in pounds sterling in respect of the aggregate Principal Amount Outstanding of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class AB2 Notes, the Class B1 Notes and the Class B2 Notes on the Interest Payment Date in respect of the Interest Period ending on (but excluding) that Interest Payment Date.

An "**Interest Period**" means in respect of the Original Notes the period from (and including) the First Closing Date to (but excluding) the Interest Payment Date falling on 15 June 2005, in respect of the Second Issue Notes the period from (and including) the Second Closing Date to (but excluding) the Interest Payment Date falling on 15 June 2006, in respect of the Third Issue Notes the period from (and including) the Third Closing Date to (but excluding) the Interest Payment Date falling on 15 September 2008 and in respect of the Fourth Issue Notes the period from (and including) the Fourth Closing Date to (but excluding) the Interest Payment Date falling on 15 June 2016 and in each case thereafter, each subsequent period:

(i) in relation to the Floating Rate Notes, from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date; and

(ii) in relation to the Fixed Rate Notes, from (and including) 15 June, 15 September, 15 December and 15 March in each year to (but excluding) the following 15 September, 15 December, 15 March and 15 June respectively.

(c) Rates of Interest on the Notes and Step-Up Fees

(i) *General*

The rates of interest (each a "**Rate of Interest**" and references to the "**relevant Rate of Interest**" being construed accordingly) payable from time to time in respect of:

(A) the Class A1 Notes, the Class A3 Notes and the Class A5 Notes (both prior to and following the Class A1 Step-Up Date, the Class A3 Step-Up Date and the Class A5 Step-Up Date); and

(B) the Class B1 Notes (following the Class B1 Step-Up Date) and the Class B2 Notes (both prior to and following the Class B2 Step-Up Date),

will be determined by the Agent Bank on each Interest Determination Date.

(ii) *Class A1 Notes*

The Rate of Interest in respect of the Class A1 Notes for each Interest Period (the "**Class A1 Rate of Interest**") shall be the aggregate of:

(A) LIBOR; and

(B)

(i) a margin of 0.38 per cent. per annum (the "**Class A1 Margin**") up to (but excluding) the Class A1 Step-Up Date; and

(ii) thereafter until the date on which the Class A1 Notes have been redeemed in full, the Class A1 Margin plus an additional margin of 0.57 per cent. per annum (the "**Class A1 Step-Up Margin**" and that part of any interest on the Class A1 Notes referable to the Class A1 Step-Up Margin and any interest accrued thereon being a "**Class A1 Step-Up Amount**").

(iii) *Class A2 Notes*

The Rate of Interest in respect of the Class A2 Notes for each Interest Period (the "**Class A2 Rate of Interest**") shall be 5.318 per cent. per annum.

(iv) *Class A3 Notes*

The Rate of Interest in respect of the Class A3 Notes for each Interest Period (the "**Class A3 Rate of Interest**") shall be the aggregate of:

(A) LIBOR; and

(B)

(i) a margin of 0.50 per cent. per annum (the "**Class A3 Margin**") up to (but excluding) the Class A3 Step-Up Date; and

(ii) thereafter until the date on which the Class A3 Notes have been redeemed in full, the Class A3 Margin plus an additional margin of 0.75 per cent. per annum (the "**Class A3 Step-Up Margin**" and that part of any interest on the Class A3 Notes referable to the Class A3 Step-Up Margin and any interest accrued thereon being a "**Class A3 Step-Up Amount**").

(v) *Class A4 Notes*

The Rate of Interest in respect of the Class A4 Notes for each Interest Period (the "**Class A4 Rate of Interest**") shall be 5.106 per cent. per annum.

(vi) *Class A5 Notes*

The Rate of Interest in respect of the Class A5 Notes for each Interest Period (the "**Class A5 Rate of Interest**") shall be the aggregate of:

(A) LIBOR; and

(B) a margin of 1.00 per cent. per annum (the "**Class A5 Margin**") up to (but excluding) the Class A5 Step-Up Date,

plus,

in addition to the Class A5 Rate of Interest, from (and including) the Class A5 Step-Up Date until the date on which the Class A5 Notes have been redeemed in full, an additional step-up fee of 1.50 per cent. per annum (the "**Class A5 Step-Up Fee**" and that part of any interest on the Class A5 Notes referable to the Class A5 Step-Up Fee and any interest accrued thereon being a "**Class A5 Step-Up Amount**").

(vii) *Class A6 Notes*

The Rate of Interest in respect of the Class A6 Notes for each Interest Period (the "**Class A6 Rate of Interest**") shall be 4.0643 per cent. per annum.

(viii) *Class AB2 Notes*

The Rate of Interest in respect of the Class AB2 Notes for each Interest Period (the "**Class AB2 Rate of Interest**") shall be 6.0552 per cent. per annum.

(ix) *Class B1 Notes*

The Rate of Interest in respect of the Class B1 Notes for each interest period (the "**Class B1 Rate of Interest**") shall be 5.702 per cent. per annum up to (but excluding) the Class B1 Step-Up Date (the "**Class B1 Fixed Rate**") and thereafter, until the date on which the Class B1 Notes have been redeemed in full, the aggregate of:

(A) LIBOR; and

(B) a margin of 0.72 per cent. per annum (the "**Class B1 Margin**"); and

(C) a further margin of 1.08 per cent. per annum (the "**Class B1 Step-Up Margin**" and that part of any interest referable to the Class B1 Step-Up Margin and any interest accrued thereon being a "**Class B1 Step-Up Amount**") (the "**Class B1 Floating Rate**").

(x) *Class B2 Notes*

The Rate of Interest in respect of the Class B2 Notes for each interest period (the "**Class B2 Rate of Interest**") shall be the aggregate of:

(A) LIBOR; and

(B)

(i) a margin of 0.83 per cent. per annum (the "**Class B2 Margin**") up to (but excluding) the Class B2 Step-Up Date; and

(ii) thereafter until the date on which the Class B2 Notes have been redeemed in full, the Class B2 Margin plus an additional margin of 1.25 per cent. per annum (the "**Class B2 Step-Up Margin**" and that part of any interest on the Class B2 Notes referable to the Class B2 Step-Up Margin and any interest accrued thereon being a "**Class B2 Step-Up Amount**" and together with any Class A1 Step-Up Amounts, Class A3 Step-Up Amounts, Class A5 Step-Up Amounts and Class B1 Step-Up Amounts, the "**Step-Up Amounts**").

(d) Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts

The Agent Bank shall, at or as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, determine and notify the Issuer, the Note Trustee and the Paying Agents and will cause notice thereof to be given to the relevant Noteholders in accordance with Condition 17 (*Notices to Noteholders*), of: (i) the Floating Interest Rates applicable to the Note Interest Period commencing on or immediately after that Interest Determination Date in respect of each class of the Floating Rate Notes; (ii) the amounts payable in respect of such Note Interest Period in respect of each class of the Floating Rate Notes (the "**Floating Rate Note Interest Amounts**"); (iii) that part of the Floating Rate Note Interest Amount (if any) that relates to the Step-Up Amounts in relation to each class of Floating Rate Notes then outstanding; and (iv) the sterling amounts payable in respect of the relevant Note Interest Period in respect of each class of the Fixed Rate Notes (the "**Fixed Rate Note Interest Amounts**" and, together with the Floating Rate Note Interest Amounts, the "**Interest Amounts**").

The Interest Amounts shall be calculated by applying the relevant interest rate to the then Principal Amount Outstanding of the relevant Note and (i) (in the case of the Floating Rate Notes) multiplying the resultant figure by the actual number of days in the Interest Period divided by 365; or (ii) (in the case of the Fixed Rate Notes except in relation to the first Fixed Rate Note Interest Amount) multiplying the resultant figure by the actual number of days elapsed in the relevant Note Interest Period divided by 365 or, if such year is a leap year, by 366, and in each case rounding the resultant figure down to the nearest penny.

The Step-Up Amounts in respect of the Class A5 Notes for an Interest Period will be calculated by applying, from (and including) the Class A5 Step-Up Date, the Class A5 Step-Up Fee to the Principal Amount Outstanding of the Class A5 Notes, during such Interest Period.

(e) Publication of Floating Interest Rates, Interest Amounts and other Notices

As soon as practicable after receiving notification thereof, the Issuer will cause each Rate of Interest, the Interest Amount and the Step-Up Amounts (if any), applicable to each class of Notes for the relevant Note Interest Period and the immediately succeeding Interest Payment Date to be notified to the Stock Exchange (for so long as the Notes are admitted to listing on the Stock Exchange) and will cause notice thereof to be given to the relevant class of Noteholders in accordance with Condition 17 (*Notices to Noteholders*). The Interest Amounts, the Step-Up Amounts (if any) and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Note Interest Period.

(f) Determination or Calculation by the Note Trustee

If the Agent Bank does not at any time for any reason calculate the Rates of Interest and/or the Step-Up Amounts and/or an Interest Amount for any class of Notes in accordance with these Conditions, the Note Trustee shall determine such Rates of Interest and/or calculate the Interest Amount and each Step-Up Amount for each relevant class of Notes, in each case in the manner specified in Condition 6(d) (*Interest – Determination of Rates of Interest and Calculation of Interest Amounts and Step-Up Amounts*) above, and any such determination and/or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Note Trustee shall apply all of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. And any such determination and/or calculation made by the Note Trustee shall, save in the case of manifest error, be final and binding on the Issuer, the Noteholders and the Couponholders.

(g) Notification to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, whether by the Reference Banks (or any of them), the Paying Agents, the Agent Bank, the Issuer or the Note Trustee shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer and all Noteholders and Couponholders, the Reference Banks, the Agent Bank and the Note Trustee and (in the absence of wilful default, gross negligence or fraud) no liability to the Note Trustee, the Noteholders or the Couponholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 6 (provided that in no circumstances shall the Note Trustee be liable for any calculation carried out pursuant to Condition 6(f) (*Interest – Determination or Calculation by the Note Trustee*)).

(h) Agent Bank and Reference Banks

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be four Reference Banks and an Agent Bank approved in writing by the Note Trustee. The Agent Bank may not resign until a successor so approved by the Note Trustee has been appointed. The initial Reference Banks shall be the principal London office of each of The Royal Bank of Scotland plc, Lloyds Bank plc, HSBC Bank plc and Barclays Bank plc. In the event of the principal London office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved by the Note Trustee to act as such in its place.

7. Redemption, Purchase and Cancellation

(a) Final Redemption

Unless previously redeemed in full and cancelled, the Issuer shall redeem:

(i) the Class A1 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in June 2031 (the "**Class A1 Final Maturity Date**");

(ii) the Class A2 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in September 2031 (the "**Class A2 Final Maturity Date**");

(iii) the Class A3 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in September 2021 (the "**Class A3 Final Maturity Date**");

(iv) the Class A4 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in March 2034 (the "**Class A4 Final Maturity Date**");

(v) the Class A5 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in December 2033 (the "**Class A5 Final Maturity Date**");

(vi) the Class A6 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in March 2035 (the "**Class A6 Final Maturity Date**");

(vii) the Class AB2 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in March 2036 (the "**Class AB2 Final Maturity Date**");

(viii) the Class B1 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in December 2034 (the "**Class B1 Final Maturity Date**"); and

(ix) the Class B2 Notes at their Principal Amount Outstanding on the Interest Payment Date falling in March 2036 (the "**Class B2 Final Maturity Date**" and together with the Class A1 Final Maturity Date, the Class A2 Final Maturity Date, the Class A3 Final Maturity Date, the Class A4 Final Maturity Date, the Class A5 Final Maturity Date, the Class A6 Final Maturity Date, the Class AB2 Final Maturity Date and the Class B1 Final Maturity Date, the "**Final Maturity Dates**" and each a "**Final Maturity Date**"),

together with accrued but unpaid interest on the Principal Amount Outstanding of such Notes up to but excluding the date on which such redemption occurs.

(b) Scheduled Mandatory Redemption in Part

(i) Prior to the service of a Note Acceleration Notice, each class of Notes will be subject to mandatory *pro rata* redemption in part on each Interest Payment Date in the aggregate principal amounts (respectively a "**Class A1 Amortisation Amount**", a "**Class A2 Amortisation Amount**", a "**Class A3 Amortisation Amount**", a "**Class A4 Amortisation Amount**", a "**Class A5 Amortisation Amount**", a "**Class A6 Amortisation Amount**", a "**Class AB2 Amortisation Amount**", a "**Class B1 Amortisation Amount**" and a "**Class B2 Amortisation Amount**", and each an "**Amortisation Amount**") set out opposite the month of each Interest Payment Date below on the Interest Payment Date falling in such month set out in the principal repayment schedule.

If any partial redemption of any class of Notes is made at any time, otherwise than in accordance with this Condition 7(b)(i), then each Amortisation Amount pertaining to such class of Notes which falls to be paid after the date of the partial redemption so made shall be reduced by a proportion of such Amortisation Amount which is the same proportion as the partial redemption so made bore to the Principal Amount Outstanding of such class of Notes immediately prior to such partial redemption being made but after deducting any redemption made in accordance with this Condition 7(b)(i) on the date such partial redemption is made.

For so long as any Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes, Class A6 Notes or any other Notes ranking senior to the Class AB2 Notes are outstanding, there will be a deferral of the payment of any scheduled principal on the Class AB2 Notes on any Interest Payment Date to the extent that, on such Interest Payment Date, the Issuer has insufficient funds to pay scheduled principal on such Class AB2 Notes. Accordingly, non-payment of such principal will not of itself constitute a Note Event of Default.

For so long as any Class A1 Notes, Class A2 Notes, Class A3 Notes, Class A4 Notes, Class A5 Notes, Class A6 Notes, Class AB2 Notes or any other Notes ranking senior to the Class B Notes are outstanding, there will be a deferral of the payment of any scheduled principal on the Class B Notes on any Interest Payment Date to the extent that, on such Interest Payment Date, the Issuer has insufficient funds to pay scheduled principal on such Class B Notes. Accordingly, non-payment of such principal will not of itself constitute a Note Event of Default.

Interest Payment Date falling in	Class A1 Amortisation Amount (£) (per £1,000)	Class A2 Amortisation Amount (£) (per £1,000)	Class A3 Amortisation Amount (£) (per £1,000)	Class A4 Amortisation Amount (£) (per £1,000)	Class A5 Amortisation Amount (£) (per £1,000)	Class A6 Amortisation Amount (£) (per £1000)	Class AB2 Amortisation Amount (£) (per £1,000)	Class B1 Amortisation Amount (£) (per £1,000)	Class B2 Amortisation Amount (£) (per £1,000)
June 2005	0.00	10.72	—	—	—	—	—	0.00	—
September 2005	0.00	9.70	—	—	—	—	—	0.00	—
December 2005	0.00	9.83	—	—	—	—	—	0.00	—
March 2006	0.00	9.96	—	—	—	—	—	0.00	—
June 2006	0.00	10.09	1.57	0.00	—	—	—	0.00	0.00
September 2006	0.00	10.23	3.63	0.00	—	—	—	0.00	0.00
December 2006	0.00	10.36	3.69	0.00	—	—	—	0.00	0.00
March 2007	0.00	10.50	3.74	0.00	—	—	—	0.00	0.00
June 2007	0.00	10.64	3.79	0.00	—	—	—	0.00	0.00
September 2007	0.00	10.78	3.84	0.00	—	—	—	0.00	0.00
December 2007	0.00	10.93	3.89	0.00	—	—	—	0.00	0.00
March 2008	0.00	11.07	3.95	0.00	—	—	—	0.00	0.00
June 2008	0.00	3.05	19.37	0.00	—	—	—	0.00	0.00
September 2008	0.00	3.09	19.65	0.00	4.18	—	—	0.00	0.00
December 2008	0.00	3.13	19.92	0.00	4.25	—	—	0.00	0.00
March 2009	0.00	3.17	20.20	0.00	4.30	—	—	0.00	0.00
June 2009	0.00	3.22	20.47	0.00	4.37	—	—	0.00	0.00
September 2009	0.00	3.26	20.76	0.00	4.42	—	—	0.00	0.00
December 2009	0.00	3.30	21.05	0.00	4.49	—	—	0.00	0.00
March 2010	0.00	3.35	21.33	0.00	4.56	—	—	0.00	0.00
June 2010	0.00	5.02	18.57	0.00	4.62	—	—	0.00	0.00
September 2010	0.00	5.09	18.82	0.00	4.68	—	—	0.00	0.00
December 2010	0.00	6.79	16.00	0.00	4.76	—	—	0.00	0.00
March 2011	0.00	6.88	16.23	0.00	4.83	—	—	0.00	0.00
June 2011	0.00	7.79	14.92	0.00	4.89	—	—	0.00	0.00
September 2011	0.00	7.90	15.11	0.00	4.97	—	—	0.00	0.00
December 2011	0.00	8.82	13.78	0.00	5.04	—	—	0.00	0.00
March 2012	0.00	8.94	13.97	0.00	5.12	—	—	0.00	0.00
June 2012	14.36	2.32	14.18	0.00	5.20	—	—	0.00	0.00
September 2012	14.46	2.41	14.35	0.00	5.27	—	—	0.00	0.00
December 2012	14.57	2.49	14.54	0.00	5.35	—	—	0.00	0.00
March 2013	14.67	2.58	14.73	0.00	5.42	—	—	0.00	0.00
June 2013	14.77	2.67	14.91	0.00	5.51	—	—	0.00	0.00
September 2013	14.87	2.77	15.10	0.00	5.59	—	—	0.00	0.00

December 2013	14.96	2.87	15.28	0.00	5.68	—	—	0.00	0.00
March 2014	15.06	2.97	15.48	0.00	5.76	—	—	0.00	0.00
June 2014	15.15	3.07	15.68	0.00	5.84	—	—	0.00	0.00
September 2014	15.23	3.18	15.88	0.00	5.94	—	—	0.00	0.00
December 2014	15.32	3.29	16.08	0.00	6.02	—	—	0.00	0.00
March 2015	15.40	3.40	16.30	0.00	6.11	—	—	0.00	0.00
June 2015	15.48	3.52	16.50	0.00	6.20	—	—	0.00	0.00
September 2015	15.55	3.64	16.71	0.00	6.30	—	—	0.00	0.00
December 2015	15.63	3.77	16.92	0.00	6.39	—	—	0.00	0.00
March 2016	15.70	3.89	17.14	0.00	6.49	—	—	0.00	0.00
June 2016	15.76	4.03	17.36	0.00	6.58	0.00	0.00	0.00	0.00
September 2016	15.82	4.16	17.60	0.00	6.67	10.33	0.00	0.00	0.00
December 2016	15.88	4.31	17.80	0.00	6.78	10.50	0.00	0.00	0.00
March 2017	15.93	4.45	18.04	0.00	6.88	10.50	0.00	0.00	0.00
June 2017	15.98	4.60	18.27	0.00	6.99	10.50	0.00	0.00	0.00
September 2017	16.02	4.76	18.50	0.00	7.08	11.00	0.00	0.00	0.00
December 2017	16.06	4.92	18.73	0.00	7.20	11.00	0.00	0.00	0.00
March 2018	16.09	5.08	18.99	0.00	7.30	11.00	0.00	0.00	0.00
June 2018	16.11	5.25	19.23	0.00	7.41	11.00	0.00	0.00	0.00
September 2018	16.13	5.42	19.49	0.00	7.52	11.00	0.00	0.00	0.00
December 2018	16.15	5.60	19.74	0.00	7.63	11.17	0.00	0.00	0.00
March 2019	16.16	5.79	19.98	0.00	7.75	11.17	0.00	0.00	0.00
June 2019	16.16	5.98	20.25	0.00	7.86	11.16	0.00	0.00	0.00
September 2019	16.15	6.18	20.50	0.00	7.98	11.67	0.00	0.00	0.00
December 2019	16.14	6.38	20.78	0.00	8.10	11.67	0.00	0.00	0.00
March 2020	16.12	6.59	21.04	0.00	8.22	11.66	0.00	0.00	0.00
June 2020	16.09	6.80	21.32	0.00	8.34	11.67	0.00	0.00	0.00
September 2020	16.06	7.03	21.58	0.00	8.47	11.67	0.00	0.00	0.00
December 2020	16.01	7.25	21.89	0.00	8.59	11.83	0.00	0.00	0.00
March 2021	15.96	7.49	22.15	0.00	8.73	11.83	0.00	0.00	0.00
June 2021	15.90	7.73	22.45	0.00	8.85	11.84	0.00	0.00	0.00
September 2021	15.82	7.98	16.28	4.15	8.99	12.33	0.00	0.00	0.00
December 2021	15.74	8.24	—	14.77	9.12	12.33	0.00	0.00	0.00
March 2022	15.65	8.50	—	14.95	9.27	12.34	0.00	0.00	0.00
June 2022	15.55	8.78	—	15.12	9.42	12.33	0.00	0.00	0.00
September 2022	15.43	9.06	—	15.30	9.57	12.33	0.00	0.00	0.00
December 2022	15.31	9.34	—	15.49	9.72	12.34	0.00	0.00	0.00
March 2023	15.17	9.64	—	15.67	9.87	12.33	0.00	0.00	0.00
June 2023	15.02	9.95	—	15.86	10.03	12.33	0.00	0.00	0.00

September 2023	14.86	10.26	—	16.05	10.19	12.34	0.00	0.00	0.00
December 2023	14.68	10.59	—	16.23	10.36	12.33	0.00	0.00	0.00
March 2024	14.49	10.92	—	16.44	10.52	12.33	0.00	0.00	0.00
June 2024	14.29	11.27	—	16.62	10.69	12.34	0.00	0.00	0.00
September 2024	14.07	11.62	—	16.83	10.85	12.33	0.00	0.00	0.00
December 2024	13.84	11.98	—	17.03	11.03	12.33	0.00	0.00	0.00
March 2025	13.59	12.36	—	17.23	11.21	12.34	0.00	0.00	0.00
June 2025	13.32	12.74	—	17.44	11.39	12.33	0.00	0.00	0.00
September 2025	13.04	13.14	—	17.65	11.57	12.33	0.00	0.00	0.00
December 2025	12.74	13.55	—	17.86	11.75	12.34	0.00	0.00	0.00
March 2026	12.42	13.97	—	18.08	11.94	12.33	0.00	0.00	0.00
June 2026	12.08	14.40	—	18.30	12.13	12.33	0.00	0.00	0.00
September 2026	11.72	14.85	—	18.52	12.32	12.34	0.00	0.00	0.00
December 2026	11.35	15.31	—	18.73	12.52	12.33	0.00	0.00	0.00
March 2027	10.95	15.78	—	18.97	12.72	12.33	0.00	0.00	0.00
June 2027	10.53	16.26	—	19.20	12.92	12.34	0.00	0.00	0.00
September 2027	10.09	16.76	—	19.44	13.13	12.33	0.00	0.00	0.00
December 2027	9.62	17.27	—	19.67	13.34	12.33	0.00	0.00	0.00
March 2028	9.13	17.80	—	19.92	13.55	12.34	0.00	0.00	0.00
June 2028	8.62	18.34	—	20.16	13.76	12.33	0.00	0.00	0.00
September 2028	8.08	18.90	—	20.41	13.99	12.33	0.00	0.00	0.00
December 2028	7.52	19.47	—	20.66	14.20	12.34	0.00	0.00	0.00
March 2029	6.92	20.06	—	20.92	14.44	12.33	0.00	0.00	0.00
June 2029	6.30	20.67	—	21.17	14.67	12.33	0.00	0.00	0.00
September 2029	5.65	21.30	—	21.43	14.90	12.34	0.00	0.00	0.00
December 2029	4.97	21.94	—	21.70	15.13	12.33	0.00	0.00	0.00
March 2030	4.26	22.60	—	21.97	15.38	12.33	0.00	0.00	0.00
June 2030	3.52	23.28	—	22.24	15.62	12.34	0.00	0.00	0.00
September 2030	2.74	23.98	—	22.52	15.87	12.33	0.00	0.00	0.00
December 2030	1.92	24.70	—	22.80	16.12	12.33	0.00	0.00	0.00
March 2031	1.07	25.44	—	23.09	16.38	12.34	0.00	0.00	0.00
June 2031	0.07	26.25	—	23.39	16.64	12.33	0.00	0.00	0.00
September 2031	—	4.50	—	23.66	17.21	12.33	0.00	54.53	0.00
December 2031	—	—	—	23.96	17.49	13.25	0.00	66.53	0.00
March 2032	—	—	—	24.24	17.77	13.25	0.00	67.51	0.00
June 2032	—	—	—	24.54	18.04	13.25	0.00	68.50	0.00
September 2032	—	—	—	24.83	18.34	16.00	0.00	69.51	0.00
December 2032	—	—	—	25.13	18.62	16.00	0.00	70.53	0.00
March 2033	—	—	—	25.43	18.93	21.67	0.00	71.57	0.00

June 2033	—	—	—	25.73	19.23	21.67	0.00	72.62	0.00
September 2033	—	—	—	26.04	19.53	21.66	0.00	73.69	0.00
December 2033	—	—	—	26.36	14.14	21.67	27.55	74.77	0.00
March 2034	—	—	—	16.10	—	21.67	97.5	75.87	24.37
June 2034	—	—	—	—	—	21.66	99.3	76.99	62.25
September 2034	—	—	—	—	—	21.67	101.04	78.12	63.14
December 2034	—	—	—	—	—	23.33	102.87	79.26	64.03
March 2035	—	—	—	—	—	23.42	104.69	—	155.85
June 2035	—	—	—	—	—	—	106.46	—	158.15
September 2035	—	—	—	—	—	—	108.24	—	160.49
December 2035	—	—	—	—	—	—	110.07	—	162.85
March 2036	—	—	—	—	—	—	142.28	—	148.87
June 2036	—	—	—	—	—	—	—	—	—

(ii) On each Interest Payment Date prior to the service of a Note Acceleration Notice, the Issuer shall pay the Amortisation Amounts in respect of the Notes pursuant to Condition 7(b)(i) (*Redemption, Purchase and Cancellation – Scheduled Mandatory Redemption in Part*) in the order of priority set out in the Issuer Pre-Acceleration Priority of Payments.

(c) Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement

On receipt by the Issuer of a notice of prepayment from a Borrower under the Issuer/Borrower Facility Agreement of its intention to make prepayment in whole or in part of any of the Term Advances in accordance with the Issuer/Borrower Facility Agreement the Issuer shall give not less than five Business Days' notice (such notice to expire on an Interest Payment Date), to the Noteholders, the Note Trustee, the Paying Agents and the Agent Bank that it will apply the same to redeem Notes in accordance with Conditions 7(c)(i) to (v) inclusive below.

(i) The Issuer shall (other than in the case of any redemption to be made in accordance with Condition 7(c)(iii) or (iv), 7(d) or 7(e)) redeem the relevant Notes at the relevant Redemption Amount or shall (in the case of Conditions 7(c)(iii) and (iv)) redeem the relevant Notes at their Principal Amount Outstanding together with accrued but unpaid interest on their Principal Amount Outstanding up to but excluding the Interest Payment Date on which such redemption occurs. For the purposes of the Conditions:

"**Redemption Amount**" means, in the case of the redemption of:

(A) any Class A1 Notes, par;

(B) any Class A3 Notes, par;

(C) any Class A5 Notes, par;

(D) any Class B2 Notes, par;

(E) any Class B1 Notes on or at any time after the Interest Payment Date falling in March 2020, par; and

(F) any Class A2 Notes, any Class A4 Notes, any Class A6 Notes, any Class AB2 Notes or, prior to the Interest Payment Date falling in March 2020, any Class B1 Notes, whichever is the higher of: (i) the amount to be applied in redemption of the principal of the Class A2 Notes, the Class A4 Notes, the Class A6 Notes, the Class AB2 Notes or the Class B1 Notes (as the case may be); and (ii) the amount to be applied in redemption of the principal of the Class A2 Notes, the Class A4 Notes, the Class A6 Notes, the Class AB2 Notes or the Class B1 Notes (less any amount of outstanding principal which has fallen due for payment prior to such date but which remains unpaid) multiplied by the price (as reported in writing to the Issuer and the Note Trustee by a financial adviser approved in writing by the Note Trustee) expressed as a percentage (and rounded, if necessary, to the third decimal place (0.0005 being rounded upwards)) at which the Gross Redemption Yield on the relevant class of the Notes to be redeemed on the Reference Date is equal to the Gross Redemption Yield at 3.00 p.m. (London time) on that relevant date of the Relevant Treasury Stock on the basis of the arithmetic mean (rounded, if necessary as aforesaid) of the offered prices of the Relevant Treasury Stock quoted by the Reference Market Makers (on a dealing basis for settlement on the next following dealing day in London) at or about 3.00 p.m. (London time) on the Reference Date together with in each case any accrued but unpaid interest on the Principal Amount Outstanding of the Notes to be redeemed up to but excluding the Interest Payment Date on which such redemption occurs.

"**Class A2 Relevant Treasury Stock**" means such United Kingdom government stock as the Agent Bank shall determine to be a benchmark gilt the modified duration of which most closely matches the duration of the Class A2 Notes as calculated by the Agent Bank.

"**Class A4 Relevant Treasury Stock**" means such United Kingdom government stock as the Agent Bank shall determine to be a benchmark gilt the modified duration of which most closely matches the duration of the Class A4 Notes as calculated by the Agent Bank.

"**Class B1 Relevant Treasury Stock**" means such United Kingdom government stock as the Agent Bank shall determine to be a benchmark gilt the modified duration of which most closely matches the duration of the Class B1 Notes as calculated by the Agent Bank.

"**Class A6 Relevant Treasury Stock**" means such United Kingdom government stock as the Agent Bank shall determine to be a benchmark gilt the modified duration of which most closely matches the duration of the Class A6 Notes as calculated by the Agent Bank.

"**Class AB2 Relevant Treasury Stock**" means such United Kingdom government stock as the Agent Bank shall determine to be a benchmark gilt the modified duration of which most closely matches the duration of the Class AB2 Notes as calculated by the Agent Bank.

"**Gross Redemption Yield**" means a yield calculated on the basis set out in the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 4, Section One: Price/Yield Formulae; "Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998 as supplemented, amended or replaced from time to time).

"**Reference Date**" means the date which is the second dealing day in the London gilt-edged market prior to the date of despatch of the notice of redemption referred to in this Condition 7(c)(i).

"**Reference Market Makers**" means three brokers and/or London gilt-edged market makers selected by the Agent Bank and approved in writing by the Note Trustee or such other three persons operating in the gilt-edged market as are selected by the Agent Bank and so approved by the Note Trustee.

"**Relevant Treasury Stock**" means, in the case of the Class A2 Notes, the Class A2 Relevant Treasury Stock, in the case of the Class A4 Notes, the Class A4 Relevant Treasury Stock, in the case of the Class A6 Notes, the Class A6 Relevant Treasury Stock, in the case of the Class AB2 Notes, the Class AB2 Relevant Treasury Stock and, in the case of the Class B1 Notes, the Class B1 Relevant Treasury Stock.

(ii) In the case of any redemption pursuant to this Condition 7(c), the Issuer shall redeem the Notes in the same order and in the same principal amount as the Initial Borrower prepays the corresponding Initial Term Advances under the Issuer/Borrower Facility Agreement.

(iii) In the event that the Issuer receives a notice of prepayment from the Initial Borrower under the Issuer/Borrower Facility Agreement of its intention to make prepayment of Term Advances in accordance with clause 9.8 of the Issuer/Borrower Facility Agreement, the Issuer shall give not less than five Business Days' prior written notice to the Noteholders, the Note Trustee and the Paying Agents that it will apply the same in redemption of:

(A) in any case where the prepayment of the Term Advances arises as a consequence of the Issuer being obliged to withhold or deduct any amount for or on account of Tax from any payment under an Interest Rate Swap Agreement or the Issuer/Borrower Swap Agreement or as a consequence of the Initial Borrower being obliged to pay an increased amount to the Issuer under the Issuer/Borrower Swap Agreement, all (but not some only) of the Floating Rate Notes relating to an Interest Rate Swap Agreement and the Issuer/Borrower Swap Agreement; or

(B) in any other case, all (but not some only) of the Notes,

in each case at their Principal Amount Outstanding together with accrued but unpaid interest on the Principal Amount Outstanding of the relevant Notes up to (but excluding) the date on which such redemption occurs.

(iv) Following due notification in accordance with the Issuer/Borrower Facility Agreement by the Issuer to the Noteholders, the Note Trustee and the Paying Agents of the occurrence of the event set out in clause 9.10 of the Issuer/Borrower Facility Agreement and receipt by the Issuer of the prepayment proceeds from the Initial Borrower thereafter to redeem all (but not some only) of the Notes, the Issuer shall apply such proceeds in redemption of the Notes at their Principal Amount Outstanding together with all accrued and unpaid interest in relation to such amount up to (but excluding) the date on which such redemption occurs.

(v) Any principal amounts received under this Condition 7(c) (but not in respect of any premia payable in accordance therewith (if any)) to be applied in redemption of a class or classes of Notes, in whole or in part, shall upon such application, redeem a *pro rata* share of the aggregate Principal Amount Outstanding of each such Note (rounded down to the nearest penny) and will, to the extent of such application, result in a *pro rata* reduction in the remaining Amortisation Amounts in respect of such Note in accordance with the second paragraph of Condition 7(b)(i) (*Redemption, Purchase and Cancellation – Scheduled Mandatory Redemption in Part*).

(d) Substitution/Redemption in Whole for Taxation and Other Reasons

If the Issuer at any time satisfies the Note Trustee that on the next Interest Payment Date:

(i) by reason of a change in Tax law (or the application or official interpretation thereof), which change becomes effective on or after the Fourth Closing Date, the Issuer would be required to deduct or withhold from any payment of principal or interest on the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of such withholding or deduction) any amount for or on account of any Taxes imposed, levied, collected, withheld or assessed by any United Kingdom Tax Authority (other than by reason of the relevant holder having some connection with the United Kingdom other than the holding of the Notes or related Coupons);

(ii) by reason of a change in Tax law (or the application or official interpretation thereof), which change becomes effective on or after the Fourth Closing Date, the Issuer or a Swap Counterparty would be required to deduct or withhold from any payments in respect of an Interest Rate Swap Agreement (whether or not the Issuer or the relevant Swap Counterparty has an obligation to pay additional amounts in respect of such withholding or deduction) any amount for or on account of any Taxes imposed, levied, collected, withheld or assessed by any Tax Authority; or

(iii) by reason of a change of law, which change becomes effective on or after the Fourth Closing Date, it is or will become illegal for all or any Term Advances under the Issuer/Borrower Facility Agreement and/or the Notes to remain outstanding,

then the Issuer will be obliged to use its reasonable endeavours to mitigate the effects of the occurrence of such event described in (i), (ii) or (iii) above, including, without limitation, by way of arranging for the substitution of a company (approved in writing by the Note Trustee) as principal debtor under the Notes and as lender under the Issuer/Borrower Facility Agreement provided that confirmation is obtained from the Rating Agencies that the Ratings Test will be satisfied following any such substitution. The Note Trustee may agree to the substitution of another company incorporated in an alternative jurisdiction in place of the Issuer in accordance with and subject to the terms of the Note Trust Deed. No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Note Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

If the Issuer is unable effectively to arrange a substitution, or if substitution would not avoid the relevant circumstances, it may, or, in the event that the Issuer has received a notice of prepayment from the Initial Borrower of Term Advances in accordance with clause 9.9 of the Issuer/Borrower Facility Agreement, shall, on any Interest Payment Date redeem (without premium or penalty):

(x) where the relevant circumstances are of the type described in (i) or (iii) above, all (but not some only) of the Notes at their Principal Amount Outstanding;

(y) where the relevant circumstances are of the type described in (ii) above, all (but not some only) of the Floating Rate Notes at their Principal Amount Outstanding, together in each case with accrued but unpaid interest on the Principal Amount Outstanding of the relevant Notes up to (but excluding) the Interest Payment Date on which such redemption occurs, provided that each of the following conditions has been complied with to the satisfaction of the Note Trustee:

(1) that the Issuer has given not less than five Business Days' notice to the Note Trustee and the Noteholders in accordance with Condition 17 (*Notices to Noteholders*); and

(2) that the Issuer has provided to the Note Trustee:

(x) a legal opinion in form and substance satisfactory to the Note Trustee from a firm of lawyers in the Issuer's jurisdiction (the choice of which has been approved in writing by the Note Trustee), opining on the relevant change in law including the ability of the Issuer to avoid such withholding or deduction;

(y) a certificate from two directors of the Issuer to the effect that the obligation to make the relevant withholding or deduction cannot be avoided by the Issuer taking reasonable measures; and

(z) a certificate from two directors of the Issuer to the effect that the Issuer will have the funds on the relevant redemption date, not subject to the interest of any other person, required to redeem the relevant Notes pursuant to this Condition 7(d) and meet its payment obligations of a higher priority under the Issuer Pre-Acceleration Priority of Payments.

Any certificate and legal opinion given by or on behalf of the Issuer may be relied on by the Note Trustee without further investigation and shall be conclusive and binding on the Noteholders.

(e) Mandatory Redemption following acceleration of Term Advances

If the Term Advances have become immediately due and repayable following a Loan Event of Default, but the Notes have not become immediately due and repayable pursuant to Condition 11 (*Note Events of Default*) and any amount of principal in respect of any Term Advance in excess of the amount of principal which would, but for any such Term Advance having become immediately due and repayable, otherwise have been scheduled to be paid in respect of such Term Advance is paid to the Issuer (such amount being an "**Excess Amount**"), the Issuer shall be obliged to apply such Excess Amount in the partial redemption of the Notes at par on the Interest Payment Date next following receipt of such Excess Amount in the following order:

(i) first, *pro rata* and *pari passu* in or towards satisfaction of the Class A Notes;

(ii) second, *pro rata* and *pari passu* in or towards satisfaction of the Class AB2 Notes; and

(iii) third, *pro rata* and *pari passu* in or towards satisfaction of the Class B Notes,

(the Principal Amount Outstanding to be so redeemed in respect of each Note and any Principal Amount Outstanding to be redeemed pursuant to Condition 7(c)(v) being "**Note Principal Payments**") subject to the Issuer giving to the relevant Noteholders not less than five Business Days' notice of such redemption (such notice to expire on such Interest Payment Date).

(f) **[*Not used*]**

(g) Calculation of Note Principal Payments and Principal Amount Outstanding

Five Business Days before each Interest Payment Date, the Issuer shall determine or shall cause to be determined:

(i) if there is to be a partial redemption of the Notes or any class thereof pursuant to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement)* or Condition 7(e) *(Redemption, Purchase* *and Cancellation – Mandatory Redemption following acceleration of Term Advances*), the amount of any Note Principal Payment due on such Interest Payment Date; and

(ii) the Principal Amount Outstanding of each Note on such Interest Payment Date (after deducting any Note Principal Payment and/or Amortisation Amount due to be paid on that Interest Payment Date).

Each determination by or on behalf of the Issuer of any Note Principal Payment and the Principal Amount Outstanding of a Note shall in each case (in the absence of wilful default, bad faith or demonstrable or manifest error) be final and binding on all persons.

As soon as practicable following a determination of a Note Principal Payment and/or the Principal Amount Outstanding of a Note, the Issuer will cause such determination of a Note Principal Payment and/or the Principal Amount Outstanding to be notified to the Note Trustee and the Paying Agents and will cause notice of each such determination to be given to Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

If the Issuer (or the Agent Bank on its behalf) does not at any time for any reason determine a Note Principal Payment and/or the Principal Amount Outstanding in accordance with the preceding provisions of this paragraph, such Note Principal Payment and/or the Principal Amount Outstanding may be determined by the Note Trustee in accordance with this Condition 7 and each such determination shall be deemed to have been made by the Issuer.

No later than five Business Days after each Interest Payment Date, the Issuer will notify the Stock Exchange of the aggregate Principal Amount Outstanding of each class of Notes.

(h) Notice of Redemption

Any such notice as is referred to in Conditions 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*), 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation Reasons*) and 7(f) (*Redemption, Purchase and Cancellation – Redemption in respect of certain Noteholders*) above shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified in these Conditions.

(i) Purchase by Issuer

The Issuer may not at any time purchase any of the Notes.

(j) Purchase by the Borrowers and Cancellation

A Borrower may at any time purchase any of the Notes in accordance with applicable law and the provisions of the Issuer/Borrower Facility Agreement. If a Borrower purchases any Notes, it shall forthwith, following such purchase, notify the Issuer and the Note Trustee and surrender those Notes to the Issuer. Upon surrender of any Notes, those Notes will be cancelled and, upon such cancellation an amount of the relevant Term Advance equal to the Principal Amount Outstanding of such Notes plus an amount of interest on the relevant Term Advance referable to the aggregate of any accrued but unpaid interest on the Principal Amount Outstanding of such Note will be treated as having been prepaid.

(k) Cancellation

All Notes redeemed in full together with payment of all accrued but unpaid interest and Step-Up Amount(s) or surrendered pursuant to Condition 16 (*Replacement of Notes, Coupons and Talons*) will be cancelled upon redemption or surrender, together with any unmatured Coupons and Talons (if any) appertaining thereto and attached thereto or surrendered therewith, and may not be resold or reissued.

8. Payments

(a) Payments of Interest and Principal

Payments of interest in respect of the Definitive Notes will (subject as provided in Conditions 8(d) (*Payments – Deductions for Unmatured Coupons for Fixed Rate Notes and Unmatured Coupons for Floating Rate Notes Void*) and 8(f) (*Payments – Payments of Interest on Improperly Withheld or Refused Notes*) below) be made only against presentation and surrender of the relevant Coupons at the Specified Office of any Paying Agent. Payments of principal and premium (if any) in respect of the Definitive Note will be made against presentation and (in the case of any payment which will result in the Definitive Note being redeemed in full) surrender of the relevant Definitive Notes at the Specified Office of any Paying Agent. Each such payment will be made in sterling at the Specified Office of any Paying Agent by sterling cheque drawn on, or, at the option of the holder, by transfer to a sterling account maintained by the payee with, a bank in London.

(b) Payments subject to Fiscal Laws

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and to the provisions of the Agency Agreement and the Issuer Deed of Charge.

(c) Failure to provide information

In respect of the Class A6 Notes, the Class AB2 Notes and any New Notes (and any Further Notes in respect of the foregoing) only, to the extent that the Issuer or the Note Guarantor receives a payment subject to a deduction or withholding or suffers a fine or penalty, in each case, pursuant to an Information Reporting Regime, as a result, directly or indirectly of a Noteholder or Couponholder failing to comply with its obligations, or otherwise take steps prescribed, under any Information Reporting Regime or to comply with the provisions of Condition 21 (*Provision of Information*) the Issuer or the Note Guarantor (as applicable) may, in the absolute discretion of its directors, reduce any amount otherwise payable by it to that Noteholder or Couponholder by an amount up to the amount of the deduction, withholding, fine or penalty.

(d) Deductions for Unmatured Coupons for Fixed Rate Notes and Unmatured Coupons for Floating Rate Notes Void

(i) *Deductions for Unmatured Coupons for Fixed Rate Notes*

If a Fixed Rate Note is presented without all unmatured Coupons and Talons (if any) relating thereto:

(A) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment, provided however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and

(B) if the aggregate amount of the missing Coupons is greater than the amount of the principal due for payment:

(1) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment, provided however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(2) a sum equal to the aggregate amount of the Relevant Coupons (or, if greater, the amount of principal due for payment) will be deducted from the amount of principal

due for payment, provided however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum so deducted shall be paid in the manner provided in Condition 8(a) (*Payments – Payments of Interest and Principal*) above against presentation and surrender of the relevant missing Coupons.

(ii) *Unmatured Coupons and Talons for Floating Rate Notes Void*

On the date upon which any Floating Rate Note becomes due and payable in full pursuant to Condition 7(a) (*Redemption, Purchase and Cancellation – Final Redemption*) or any early mandatory redemption in full of any Floating Rate Note pursuant to Condition 7(c) (*Redemption, Purchase and Cancellation – Early Mandatory Redemption in Whole or Part upon Prepayment under the Issuer/Borrower Facility Agreement*) or early optional redemption of any Floating Rate Note pursuant to Condition 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation and Other Reasons*), unmatured Coupons and Talons (if any) appertaining thereto (whether or not attached to such Floating Rate Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Floating Rate Note is not an Interest Payment Date, accrued interest will be paid only against presentation and surrender of the relevant Floating Rate Note.

(e) Presentation on non-business days

If any Coupon or Note is presented for payment on a day which is not a Business Day in the place where it is so presented and (in the case of payment by transfer to a sterling account in London as referred to in Condition 8(a) (*Payments – Payments of Interest and Principal*) above) in London, no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Coupon or Note.

(f) Payments of Interest on Improperly Withheld or Refused Notes

If any amount of principal or premium (if any) is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6 (*Interest*) will be paid against presentation of such Note at the Specified Office of any Paying Agent.

(g) Other Interest

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agents outside the United States.

(h) Partial Payments

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse on such Note or Coupon a statement indicating the amount and date of such payment.

(i) Exchange of Talons

On or after the relevant Interest Payment Date on which the final Coupon forming part of a Coupon sheet is surrendered, each Talon forming part of such Coupon sheet may be surrendered at the Specified Office of any Paying Agent for a further Coupon sheet (including a further Talon) but excluding any Coupons in respect of which claims have already become void pursuant to Condition 10 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

(j) Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8, whether by the Reference Banks (or any of them), the

Paying Agents or the Agent Bank shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer and all Noteholders and Couponholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Noteholders or the Couponholders shall attach to the Reference Banks, the Paying Agents or the Agent Bank in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8.

9. Taxation

(a) Withholding

All payments in respect of the Notes or Coupons or under the Note Guarantee shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes unless the Issuer, Note Guarantor or any Paying Agent is required by applicable law to make any payment in respect of the Notes or Coupons or under the Note Guarantee subject to any such withholding or deduction. In that event, the Issuer, Note Guarantor or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant Tax Authority for the amount so required to be withheld or deducted.

(b) No Payment of Additional Amounts

None of the Issuer, the Note Trustee, the Note Guarantor or any Paying Agent will be obliged to make any additional payments to holders of Notes or Coupons in respect of such withholding or deduction as is referred to in Condition 9(a) (*Taxation – Withholding*) above.

(c) Tax Deduction not Note Event of Default

Notwithstanding that the Issuer, the Note Guarantor or any Paying Agent is required to make a withholding or deduction as is referred to in Condition 9(a) (*Taxation – Withholding*) above, this shall not constitute a Note Event of Default.

10. Prescription

(a) Principal

Notes shall become void unless presented for payment within a period of 10 years from the relevant date in respect thereof.

(b) Interest

Coupons shall become void unless presented for payment within a period of five years from the relevant date in respect thereof.

(c) Note or Coupon

After the date on which a Note or Coupon becomes void in its entirety, no claim may be made in respect thereof.

(d) Relevant Date

For the purpose of this Condition, the "**relevant date**" in respect of a Note or Coupon is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes or Coupons due on or before the date has not been duly received by the Paying Agents or the Issuer Security Trustee on or prior to such date) the date on which notice that the full amount of such monies has not been received is duly given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

11. Note Events of Default

(a) Default Events

The Note Trustee may in its absolute discretion, and shall if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or so requested in writing by the holders of at least one-quarter of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding, (subject, in each case, to being indemnified and/or secured to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing) give an acceleration notice (a "**Note Acceleration Notice**") to the Issuer declaring the Notes to be immediately due and repayable at any time after the occurrence of any of the following events (each, a "**Note Event of Default**"):

(i) default is made for a period of five Business Days in payment on the due date of any principal or interest due on any of the Most Senior Class of Notes (other than in respect of any Step-Up Amounts) as and when the same ought to be paid in accordance with these Conditions;

(ii) default is made by the Issuer in the performance or observance of any obligation, condition, provision, representation or warranty binding on it under the Notes or, save for the Subscription Agreements, the Issuer Transaction Documents (other than any obligation for the payment of any principal or interest on any class of Notes) and, except where in the opinion of the Note Trustee (or, in the case of the Issuer Deed of Charge, the Issuer Security Trustee) such default is not capable of remedy (when no notice will be required), such default continues for 14 Business Days after written notice by the Note Trustee (or the Issuer Security Trustee, where applicable) to the Issuer requiring the same to be remedied and provided that (whether or not capable of remedy) the Note Trustee shall have certified to the Issuer in writing that such event is, in its opinion, materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding;

(iii) an Insolvency Event; or

(iv) the Issuer Security (or any part thereof) is terminated or is or becomes void, illegal, invalid or unenforceable and alternative arrangements approved by an Extraordinary Resolution of the holders of Notes are not made within 60 days of the earlier of the date of the Note Trustee requiring alternative arrangements to be made or of such an event.

(b) Consequences of Notes becoming Due and Payable and Delivery of Note Acceleration Notice

If a Note Event of Default occurs then, following service of a Note Acceleration Notice by the Note Trustee on the Issuer, all classes of the Notes then outstanding shall immediately become due and payable at their Principal Amount Outstanding together with accrued interest as provided in the Note Trust Deed and the Issuer Security will become enforceable by the Issuer Security Trustee in accordance with the Issuer Deed of Charge.

12. Enforcement

At any time after the Notes have become due and repayable following the service of a Note Acceleration Notice and without prejudice to the rights of enforcement of the Issuer Security Trustee in relation to the Issuer Security, the Note Trustee may, at its discretion and without further notice, direct the Issuer Security Trustee to give a notice (a "**Note Enforcement Notice**") to the Issuer declaring the whole of the Issuer Security to be enforceable and to take such steps against the Issuer to enforce the Issuer Security as it thinks fit provided that the Note Trustee shall not be bound to direct the Issuer Security Trustee to take such action unless:

(a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or if so requested in writing by the holders of at least one-quarter in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; and

(b) it shall have been indemnified and/or secured to its satisfaction, and the Issuer Security Trustee shall enforce the Issuer Security in accordance with the provisions of the Issuer Deed of Charge.

In exercising its duty or discretion under this Condition 12, the Note Trustee shall disregard any Step-Up Amount for the purposes of determining whether there is any particular class of Notes outstanding.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any of its assets unless the Note Trustee or the Issuer Security Trustee having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

Enforcement of the obligations of the Issuer under the Notes are subject to the terms of any mandatory United Kingdom provisions that would apply in case of an Insolvency Event.

All monies received or recovered by the Issuer Security Trustee or any Receiver appointed under the Issuer Deed of Charge following the enforcement of the Issuer Security, other than: (i) amounts standing to the credit of a Liquidity Facility Reserve Account (which are to be paid directly and only to the relevant Liquidity Facility Provider); and (ii) amounts standing to the credit of the Swap Collateral Ledgers or representing amounts attributable to assets transferred as collateral by a Swap Counterparty following the occurrence of a Swap Counterparty Downgrade (which are to be applied in returning collateral to, or following termination of the relevant Interest Rate Swap Agreement, payment of amounts owing by, such Swap Counterparty in accordance with the relevant Interest Rate Swap Agreement), will be applied in accordance with the Issuer Post-Acceleration Priority of Payments.

13. Meetings of Noteholders

(a) Convening

The Note Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of any class or sub-class to consider any matters relating to the Notes, including the sanctioning by Extraordinary Resolution of each relevant class or sub-class of Noteholders of a modification of the provisions of the Note Trust Deed, the Notes or these Conditions or the provisions of any of the other Issuer Transaction Documents.

(b) Separate and Combined Meetings

The Note Trust Deed provides that (subject to Conditions 13(d) (*Meetings of Noteholders – Quorum*) and 13(e) (*Meetings of Noteholders – Relationship between Classes and Sub-classes*)):

(i) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the Noteholders of only one class shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of that class;

(ii) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the Noteholders of more than one class but does not give rise to an actual or potential conflict of interest between the Noteholders of each such class shall be deemed to have been duly passed if passed either at separate meetings of the Noteholders of each such class or at a single meeting of the Noteholders of all such classes of Notes as the Note Trustee shall determine in its absolute discretion;

(iii) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the Noteholders of more than one class and gives rise to any actual or potential conflict of interest between the Noteholders of one such class of Notes and the Noteholders of any other class of Notes shall be deemed to have been passed only if it is passed at a separate meetings of the Noteholders of each such class; and

(iv) an Extraordinary Resolution which in the opinion of the Note Trustee affects the interests of the Noteholders of more than one sub-class within a class and gives rise to an actual or potential conflict of interest between the Noteholders of one such sub-class within that class and the Noteholders of any other sub-class within that class shall be deemed to have been duly passed only if passed at a separate meeting of the Noteholders of the sub-class which has the greatest aggregate Principal Amount

Outstanding at the relevant time. Any such Extraordinary Resolution passed at such a meeting shall be binding on each of the other sub-classes within that class.

(c) Request from Noteholders

A meeting of Noteholders (or any class or sub-class thereof) may be convened by the Note Trustee or the Issuer at any time and must be convened by the Note Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Noteholders of a particular class holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that class.

(d) Quorum

The Note Trust Deed provides that:

(i) subject to paragraphs (ii) and (iii) below, at any Noteholder meeting, two or more persons present holding voting certificates or being proxies and holding or representing, in the aggregate, not less than one-twentieth of the aggregate Principal Amount Outstanding of the Notes (or any class or sub-class thereof) for the time being outstanding or, at any adjourned meeting two or more persons present or representing Noteholders (or any class or sub-class thereof) whatever the aggregate Principal Amount Outstanding of the Notes (or any class or sub-class thereof) then outstanding so held or represented shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than choosing a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the meeting;

(ii) subject to paragraph (iii) below, at any meeting the business of which is an Extraordinary Resolution, the quorum at any such meeting, other than regarding a Basic Terms Modification, will be two or more persons present holding voting certificates or being proxies and holding or representing not less than one-half of the aggregate Principal Amount Outstanding of the Notes (or any class or sub-class thereof) then outstanding or, at any adjourned meeting, two or more persons being or representing Noteholders (or any class or sub-class thereof), whatever the aggregate Principal Amount Outstanding of the Notes (or any class or sub-class thereof) then outstanding so held or represented; and

(iii) at any meeting, the business of which is an Extraordinary Resolution relating to a Basic Terms Modification, the quorum of such meeting will be two or more persons present holding voting certificates, or being proxies, and holding or representing, in the aggregate, not less than three-quarters of the aggregate Principal Amount Outstanding of the Notes of the relevant class or sub-class then outstanding or, at any adjourned meeting, two or more persons holding or representing in the aggregate not less than one-quarter of the Principal Amount Outstanding of the Notes of such class or sub-class then outstanding.

(e) Relationship between Classes and Sub-classes

(i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one class (or sub-class) of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes (or sub-classes) of Notes at separate class (or sub-class) meetings convened for that purpose (to the extent that there are Notes outstanding in each such other classes (or sub-classes)); and

(ii) no Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of any class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes ranking equally with or senior to such class (to the extent that there are Notes outstanding ranking equally with or senior to such class) unless the Note Trustee considers that the interests of the holders of each of the other classes of Notes ranking equally with or senior to such class would not be materially prejudiced by the implementation of such Extraordinary Resolution.

(f) Binding Nature

(i) any resolution passed at a meeting of the Noteholders (or any class or sub-class thereof) duly convened and held in accordance with the Note Trust Deed shall be binding upon all Noteholders (or, as the case may be, all Noteholders of such class or sub-class), whether or not present at such meeting and whether or not voting and upon all Couponholders (or, as the case may be, all Couponholders of such class or sub-class); and

(ii) subject to Condition 13(e) (*Meetings of Noteholders – Relationship between Classes and Sub-classes*) above, any resolution passed at a meeting of the holders of the Most Senior Class of Notes then outstanding only which is duly convened and held as aforesaid shall also be binding upon the holders of all the other classes of Notes and the Couponholders relating thereto.

(g) Resolutions in Writing

A Written Resolution signed by the holders of not less than three-quarters of the aggregate Principal Amount Outstanding of the relevant class of Notes shall take effect as if it were an Extraordinary Resolution passed by such class of Noteholders.

14. Modification, Waiver and Substitution

(a) Modification

The Note Trustee may agree, or give a direction to the Issuer Security Trustee to agree, without the consent or sanction of the Noteholders or the Couponholders to any modification to these Conditions, the Trust Documents (other than in respect of a Basic Terms Modification), the Notes or the other Transaction Documents to which it or the Issuer Security Trustee is a party or over which it or the Issuer Security Trustee has security, or may give its consent to any event, matter or thing, if, in the Note Trustee's opinion:

(i) it is not materially prejudicial to the interests of the Noteholders of any class (subject to Condition 3(f) (*Status and Ranking of the Notes – Status and Relationship between the Classes of Notes and the Issuer Secured Creditors*));

(ii) it is required to correct a manifest error or is of a formal, minor, administrative or technical nature; or

(iii) it is required or permitted, subject to the satisfaction of specified conditions, under the terms of these Conditions or the Transaction Documents provided such conditions are satisfied.

In connection with any consent to any modification of any Transaction Document, in considering whether giving such consent is materially prejudicial to the interests of Noteholders, the Note Trustee shall be entitled to take into account any Ratings Confirmation provided by the Rating Agencies in connection with such modification.

(b) Waiver

In addition, the Note Trustee may, but only if and insofar as in its opinion the interests of Noteholders shall not be materially prejudiced, without the consent or sanction of the Noteholders or the Couponholders, authorise or waive on such terms and subject to such conditions (if any) as shall seem fit and proper to it, any proposed breach or breach of the covenants or provisions (other than where such breach or proposed breach would have the same effect as a Basic Terms Modification) contained in the Trust Documents, the Notes or any of the other Transaction Documents (including a Note Event of Default) or determine that any such default shall not be treated as such if the conditions in Condition 14(a)(i) (*Modification, Waiver and Substitution – Modification*) are satisfied.

In connection with any substitution of principal debtor as is referred to in Condition 14(f) (*Modification, Waiver and Substitution – Substitution of Principal Debtor*), the Note Trustee may also agree, without the consent of the Noteholders or the Couponholders or any other Issuer Secured Creditor, to a change of the laws governing the Notes and/or the Transaction Documents, provided that such change would not, in the opinion of the Note

Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class of Notes (or the relevant sub-class thereof) then outstanding.

In connection with any waiver or authorisation of any breach or proposed breach of any Transaction Document, in considering whether such action is materially prejudicial to the interests of Noteholders, the Note Trustee shall be entitled to take into account any Ratings Confirmation provided by the Rating Agencies in connection with such waiver or authorisation.

(c) Restriction on Power to Waive

The Note Trustee shall not exercise any powers conferred upon it by Condition 14(b) (*Modification, Waiver and Substitution – Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or, where applicable, any sub-class thereof then outstanding; or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or, where applicable, any sub-class thereof then outstanding, but so that no such direction or request shall:

(i) affect any authorisation, waiver or determination previously given or made; or

(ii) authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of each other class of Notes have authorised or waived any such proposed breach or breach pursuant to an Extraordinary Resolution of the holders of such other class (or sub-class) of Notes then outstanding.

(d) Notification

Unless the Note Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders and the other Issuer Secured Creditors in accordance with Condition 17 (*Notices to Noteholders*) and the Issuer Transaction Documents, as soon as practicable after it has been made.

(e) Binding Nature

Any authorisation, waiver, determination or modification referred to in Condition 14(a) (*Modification, Waiver and Substitution – Modification*) or Condition 14(b) (*Modification, Waiver and Substitution – Waiver*) shall be binding on the Noteholders, the Couponholders and the other Issuer Secured Creditors.

(f) Substitution of Principal Debtor

The Note Trust Deed contains provisions permitting the Note Trustee to agree (including if any of the events listed in Condition 7(d) (*Redemption, Purchase and Cancellation – Substitution/Redemption in Whole for Taxation and Other Reasons*) are subsisting) to such amendment of these Conditions and of any of the Issuer Transaction Documents and to such other conditions as the Note Trustee may require and subject to the terms of the Note Trust Deed, but without the consent of the Noteholders or the Couponholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Note Trust Deed and the Notes and in respect of the other Issuer Secured Liabilities, subject to certain conditions including the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate) and such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants*) and the covenants applying to the Issuer under the Note Trust Deed.

15. Trustees and Agents

(a) Trustees' Right to Indemnity

Under the Issuer Transaction Documents each of the Note Trustee and the Issuer Security Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed any liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Note Trustee, Issuer

Security Trustee and their respective related companies are entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

(b) Trustees not Responsible for Loss or for Monitoring

Neither the Issuer Security Trustee nor the Note Trustee will be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Cash Manager or by any person on behalf of the Issuer Security Trustee or the Note Trustee and neither the Issuer Security Trustee nor the Note Trustee shall be responsible for monitoring the compliance of any of the other parties with their obligations under the Issuer Transaction Documents.

(c) Appointment and Removal of Trustees

The power of appointing new trustees of the Trust Documents shall be vested in the Issuer, but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding in accordance with the Trust Documents. One or more persons may hold office as trustee or trustees of the Trust Documents, provided that such trustee or trustees shall be (if there is only one) or include (if there is more than one) a trust corporation. Any appointment of a new trustee of the Trust Documents shall as soon as practicable thereafter be notified by the Issuer to the Note Trustee and the Issuer Security Trustee, the Paying Agents, the Rating Agencies and the Noteholders. Any of the Issuer or the holders of the Most Senior Class of Notes then outstanding, by Extraordinary Resolution, shall have the power to remove any trustee or trustees for the time being of the Trust Documents, subject to any consents required under the terms of the Note Trust Deed. The removal of any trustee shall not become effective unless there remains a trustee of the Trust Documents (being a trust corporation) in office after such removal.

(d) Paying Agents and Agent Bank solely agents of Issuer

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents and Agent Bank act solely as agents of the Issuer and (to the extent provided therein) the Note Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or the Couponholders.

(e) Initial Paying Agents and Agent Bank

The initial Paying Agents and the Agent Bank and their initial Specified Offices are listed above. The Issuer reserves the right (subject to the prior written approval of the Note Trustee) to vary or terminate the appointment of any Paying Agent or Agent Bank and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Paying Agent or the Agent Bank (as the case may be).

(f) Maintenance of Agents

The Issuer will at all times maintain a Paying Agent with a Specified Office in Ireland (so long as the Notes are listed on the Stock Exchange) and a Paying Agent in London or a Paying Agent with Specified Offices in Ireland and London respectively, a principal paying agent and an agent bank. For so long as any Note is outstanding, the Issuer undertakes that there will at all times be a Paying Agent located in an EU Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law (whether of a Member State of the European Union or a non-Member State) implementing or complying with, or introduced in order to conform to any such Directive.

The Issuer reserves the right, subject to prior approval of the Note Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

16. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

17. Notices to Noteholders

(a) *Valid Notices and Date of Publication*

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be *The Financial Times*) and, if the Notes are listed on the Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Dublin (which is expected to be *The Irish Times*) or, in either case, if such publication is not practicable, in another appropriate newspaper having general circulation in London or, as the case may be, Dublin previously approved in writing by the Note Trustee. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

While the Notes are represented by Global Notes, notices to Noteholders will be valid if published as described above, for so long as the rules of the Stock Exchange so require and, at the option of the Issuer, if delivered to Euroclear or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear or Clearstream, Luxembourg as aforesaid shall be deemed to have been given on the date of delivery.

(b) *Other Methods*

The Note Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders in the manner required by the Note Trustee.

(c) *Couponholders deemed to have Notice*

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

(d) *Notices to Stock Exchange and Rating Agencies*

A copy of each notice given in accordance with this Condition 17 shall be provided to the relevant Rating Agencies and the Stock Exchange for so long as the Notes are listed on the Stock Exchange and the rules of the Stock Exchange so require.

18. Subordination and Deferral

(a) *Interest and Step-Up Fees*

(i) Subject to Condition 18(a)(ii), in the event that, on any Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to:

(A) (in the case of the Class AB2 Notes) interest on the Class AB2 Notes;

(B) (in the case of the Class B Notes) interest on the Class B Notes; or

(C) (in the case of the Class A1 Notes) the Class A1 Step-Up Amount, (in the case of the Class A3 Notes) the Class A3 Step-Up Amount and (in the case of the Class A5 Notes) the Class A5 Step-Up Amount,

(each such deduction being an "**Interest Residual Amount**"),

is not sufficient to satisfy in full the aggregate amount due and, subject to this Condition 18, payable in respect of (A) or (B) (as the case may be) on such Interest Payment Date, then there shall instead be payable in respect of (A) or (B) (as the case may be) on such Interest Payment Date a *pro rata* share of the relevant Interest Residual Amount calculated by dividing such Interest Residual Amount by the Principal Amount Outstanding of the relevant class of Notes.

In any such event, the Issuer shall create a provision in its accounts for the shortfall (if any) equal to the amount by which the aggregate amount paid in respect of (A) or (B) (as the case may be) is less than the aggregate amount due and (but for the provisions of this Condition 18(a)) payable in respect of paragraph (A) or (B) (as the case may be) (the "**Shortfall**"). Such Shortfall shall itself accrue interest at the same rate as that payable in respect of the relevant class of Notes and shall be payable together with such accrued interest on any succeeding Interest Payment Date only if and to the extent that on such Interest Payment Date, the relevant Interest Residual Amount is sufficient to make such payment.

(ii) For the avoidance of doubt, non-payment on any Interest Payment Date of any amount which would otherwise be payable under these Conditions but for this Condition 18(a) shall not constitute a Note Event of Default pursuant to Condition 11 (*Note Events of Default*) other than failure to pay an amount (excluding any Step-Up Amount) in respect of the Most Senior Class of Notes then outstanding. The failure to pay interest on the Class AB2 Notes within the applicable grace period will constitute a Note Event of Default where there is no class of Notes remaining outstanding which rank in priority to the Class AB2 Notes. The failure to pay interest on the Class B Notes within the applicable grace period will constitute a Note Event of Default where no class of Notes remains outstanding which ranks in priority to the Class B Notes.

(b) Principal – Class AB2 Notes

(i) Subject to Condition 18(b)(ii) below, in the event that, on any Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to principal on the Class AB2 Notes, (the "**AB2 Principal Residual Amount**") and, is not sufficient to satisfy in full the aggregate amount of principal (if any) due and, subject to this Condition 18(b), payable in respect of the Class AB2 Notes on such Interest Payment Date, there shall instead be payable in respect of the Class AB2 Notes, on such Interest Payment Date, only a *pro rata* share of the relevant Principal Residual Amount calculated by dividing the relevant Principal Residual Amount by the Principal Amount Outstanding of the Class AB2 Notes.

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of principal paid on the Class AB2 Notes on any Interest Payment Date in accordance with this Condition 18(b) falls short of the aggregate amount of principal due and (but for the provisions of this Condition 18(b)) payable in respect of the Class AB2 Notes, as the case may be, on that date pursuant to Condition 7 (*Redemption, Purchase and Cancellation*). Such shortfall shall accrue interest at the same rate as that payable in respect of the Class AB2 Notes, and shall be payable together with such accrued interest on any succeeding Interest Payment Date only if and to the extent that on such Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to principal on the Class AB2 Notes, is sufficient to make such payment.

(ii) For the avoidance of doubt, while any class of Notes ranking in priority to the Class AB2 Notes remains outstanding, the non-payment on an Interest Payment Date of any amount which would otherwise be payable under these Conditions but for this Condition 18(b) shall not constitute a Note Event of Default pursuant to Condition 11 (*Note Events of Default*). The failure to pay principal on the Class AB2 Notes within the applicable grace period will constitute a Note Event of Default where no class of Notes remains outstanding which ranks in priority to the Class AB2 Notes.

(c) Principal – Class B Notes

(i) Subject to Condition 18(c)(ii) below, in the event that, on any Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to principal on the Class B Notes (the "**B Principal Residual Amount**"), is not sufficient to satisfy in full the aggregate amount of principal (if any) due and, subject to this Condition 18(c), payable in respect of the Class B Notes on such Interest Payment Date, there shall instead be payable in respect of the Class B Notes, on such Interest Payment Date, only a *pro rata* share of the relevant Principal Residual Amount calculated by dividing the relevant Principal Residual Amount by the Principal Amount Outstanding of the Class B Notes.

In any such event, the Issuer shall create a provision in its accounts for the shortfall equal to the amount by which the aggregate amount of principal paid on the Class B Notes on any Interest Payment Date in accordance with this Condition 18(c) falls short of the aggregate amount of principal due and (but for the provisions of this Condition 18(c)) payable in respect of the Class B Notes, as the case may be, on that date pursuant to Condition 7 (*Redemption, Purchase and Cancellation*). Such shortfall shall accrue interest at the same rate as that payable in respect of the Class B Notes, and shall be payable together with such accrued interest on any succeeding Interest Payment Date only if and to the extent that on such Interest Payment Date, Available Issuer Revenue, after deducting all amounts payable in priority to principal on the Class B Notes, is sufficient to make such payment.

(ii) For the avoidance of doubt, while any class of Notes ranking in priority to the Class B Notes remains outstanding, the non-payment on an Interest Payment Date of any amount which would otherwise be payable under these Conditions but for this Condition 18(c) shall not constitute a Note Event of Default pursuant to Condition 11 (*Note Events of Default*). The failure to pay principal on the Class B Notes within the applicable grace period will constitute a Note Event of Default where no class of Notes remains outstanding which ranks in priority to the Class B Notes.

(d) General

Any amounts of principal or interest in respect of the Notes otherwise payable under these Conditions which are not paid by virtue of this Condition 18 together with accrued interest thereon shall in any event become payable (in the case of amounts relating to the Class A1 Notes other than Class A1 Step-Up Amounts) on the Class A1 Final Maturity Date, (in the case of amounts relating to the Class A2 Notes) on the Class A2 Final Maturity Date, (in the case of amounts relating to the Class A3 Notes other than Class A3 Step-Up Amounts) on the Class A3 Final Maturity Date, (in the case of amounts relating to the Class A4 Notes) on the Class A4 Final Maturity Date, (in the case of amounts relating to the Class A5 Notes other than Class A5 Step-Up Amounts) on the Class A5 Final Maturity Date, (in the case of amounts relating to the Class A6 Notes) on the Class A6 Final Maturity Date, (in the case of amounts relating to the Class AB2 Notes) on the Class AB2 Final Maturity Date, (in the case of amounts relating to the Class B1 Notes other than Class B1 Step-Up Amounts) on the Class B1 Final Maturity Date or on such earlier date as the Most Senior Class of Notes then outstanding become immediately due and repayable under Condition 11 (*Note Events of Default*) and (in the case of amounts relating to the Class B2 Notes, to Class A1 Step-Up Amounts, to Class A3 Step-Up Amounts, to Class A5 Step-Up Amounts and to Class B1 Step-Up Amounts) on the Class B2 Final Maturity Date or on such earlier date as the Most Senior Class of Notes then outstanding become immediately due and repayable under Condition 11 (*Note Events of Default*).

(e) Notification

As soon as practicable after becoming aware that any part of a payment of interest or principal on the Class AB2 Notes, or the Class B Notes, or (in relation to the Class A1 Step-Up Amounts payable after the Class A1 Step-Up Date only) the Class A1 Notes, or (in relation to the Class A3 Step-Up Amounts payable after the Class A3 Step-Up Date only) the Class A3 Notes, or (in relation to the Class A5 Step-Up Amounts payable after the Class A5 Step-Up Date only) the Class A5 Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 18, the Issuer will give notice thereof to the relevant Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Stock Exchange, so long as the Notes are listed on the Stock Exchange.

19. Further and New Note Issues

(a) Further Notes and New Notes

The Issuer will be entitled (but not obliged) at its option at any time and from time to time, without the consent of the Noteholders, to raise further funds by the creation and issue of:

(i) further notes in respect of any class of Notes, each of which will be in bearer form and which will carry the same terms and conditions in all respects including having substantially the same hedging arrangements in place as those for the Notes (save as to the issue date, the first Interest Payment Date, first Interest Period, first Coupon and initial principal amount outstanding) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, the relevant class of Notes ("**Further Notes**"); and/or

(ii) additional notes of a new class which will be in bearer form and which may rank *pari passu* with, ahead of or after any class of Notes then in issue (save that no such notes which rank ahead of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes and the Class A6 Notes) ("**New Notes**") and may carry terms that differ from any of the Class A1 Notes, the Class A2 Notes, the Class A3 Notes, the Class A4 Notes, the Class A5 Notes, the Class A6 Notes, the Class AB2 Notes, the Class B1 Notes and the Class B2 Notes and do not form a single series with any of them.

It shall be a condition precedent to the issue of any Further Notes and/or New Notes (together or either, the "**Additional Notes**") that:

(A) the aggregate principal amount of all such Additional Notes to be issued on such date is not less than £5,000,000;

(B) the Rating Agencies confirm in writing to the Issuer that any Further Notes are assigned the same ratings as the then current ratings of the corresponding classes of Notes;

(C) the Rating Agencies confirm in writing to the Note Trustee that the then current rating of the Notes then outstanding will not adversely be affected by the proposed issue of the Further Notes or, as the case may be, the New Notes;

(D) an amount equal to the gross proceeds of such Further Notes or, as the case may be, the New Notes (with an amount in respect of any issue expenses or commissions agreed to be paid by way of fee by a Borrower pursuant to the Issuer/Borrower Facility Agreement) is applied by the Issuer to make a loan to a Borrower pursuant to the Issuer/Borrower Facility Agreement and the conditions precedent therein for an advance under any Additional Term Facility are satisfied;

(E) the Note Trustee has received a legal opinion satisfactory to it in relation to, *inter alia,* the issue of such Further Notes or, as the case may be, the New Notes from a reputable London law firm; and

(F) no Note Event of Default has occurred and is continuing (which has not been waived) or would occur as a result of such issue.

(b) Supplemental Trust Deeds and Security

Any such Additional Notes will be secured by the Issuer Security. Any such Additional Notes will be constituted by a further deed or deeds supplemental to the Note Trust Deed and have the benefit of the Issuer Security pursuant to the Issuer Deed of Charge as described above in Condition 2 (*Form, Denomination and Title*).

20. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

21. Provision of Information

Within 10 Business Days of a request by the Issuer or the Note Guarantor (or, in each case, its duly authorised agent or delegate), Noteholders and Couponholders shall supply to the Issuer or the Note Guarantor (as applicable) such forms, documentation and other information relating to its status under any applicable Information Reporting Regime as the Issuer or the Note Guarantor (or, in each case, its duly authorised agent or delegate) reasonably requests for the purposes of the Issuer's or the Note Guarantor's compliance with such Information Reporting Regime and shall notify the Issuer or the Note Guarantor reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such Noteholder or Couponholder is (or becomes) inaccurate in any material respect; provided, however, that no Noteholder or Couponholder shall be required to provide any forms, documentation or other information pursuant to this Condition 21 to the extent that (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Noteholder or Couponholder and cannot be obtained by such Noteholder or Couponholder using reasonable efforts or (ii) doing so would or might in the reasonable opinion of such Noteholder or Couponholder constitute a breach of any applicable (a) law or regulation; (b) fiduciary duty; or (c) duty of confidentiality. The Issuer and the Note Guarantor and their duly authorised agents and delegates shall be permitted to disclose the forms, documentation and other information to any taxation or other governmental authority.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"**Common Reporting Standard**" means the common standard on reporting and due diligence for financial account information developed by the Organisation for Economic Co-operation and Development, bilateral and multilateral competent authority agreements, and treaties facilitating the implementation thereof, and any law implementing any such common standard, competent authority agreement, intergovernmental agreement, or treaty, in each case, as amended from time to time.

"**Directive on Administrative Cooperation**" means Council Directive 2011/16/EU on administrative cooperation in the field of taxation and any law implementing such Council Directive, as amended from time to time.

"**FATCA**" means Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, any law implementing an intergovernmental approach thereto, in each case, as amended from time to time, and an agreement described in Section 1471(b) of the Code.

"**Information Reporting Regime**" means the Common Reporting Standard, the Directive on Administrative Cooperation, FATCA, and the UK Intergovernmental Agreements.

"**UK Intergovernmental Agreements**" means the intergovernmental agreements to improve international tax compliance between the United Kingdom and each of Guernsey, the Isle of Man, Jersey, Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Monserrat and the Turks and Caicos Islands, and any other similar intergovernmental agreement between the United Kingdom and any of its Crown Dependencies or Overseas Territories and any law implementing any such intergovernmental agreement, in each case, as amended from time to time.

22. Non-Petition

Except as expressly permitted to do so by Condition 12 (*Enforcement*), the Noteholders shall not be entitled to take any steps:

(a) to direct the Note Trustee to instruct the Issuer Security Trustee to enforce the Issuer Security; or

(b) to take or join any person in taking steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it; or

(c) to initiate or join any person in initiating any Insolvency Proceedings in relation to the Issuer or the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings or assets of the Issuer; or

(d) to take any steps or proceedings that would result in the Issuer Priorities of Payments not being observed.

23. Third Party Rights

These Conditions confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of a third party which exists or is available aside from the Contracts (Rights of Third Parties) Act 1999.

24. Governing Law

The Notes, the Coupons, the Talons, the Note Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

TAXATION

GENERAL

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or further issues of securities that will form a single series with the Notes, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Notes). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.

UNITED KINGDOM

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and H.M. Revenue & Customs practice (which may not be binding on H.M. Revenue & Customs). They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who hold their Notes and Coupons as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and are the absolute beneficial owners thereof. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Noteholders.

Interest on the Fourth Issue Notes

The Fourth Issue Notes will constitute "**quoted Eurobonds**" within the meaning of section 987 of the Income Tax Act 2007 ("**ITA**") as long as they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of ITA. The Stock Exchange is such a recognised stock exchange. This condition will be satisfied while the Notes are listed by a "competent authority" in Ireland for the purposes of Council Directive 2001/34/EC and any Irish legislation giving effect to that Directive and admitted to trading on a recognised stock exchange in Ireland. Accordingly, payments of interest on the Fourth Issue Notes may be made without withholding on account of United Kingdom income tax provided the Fourth Issue Notes remain so listed at the time of payment.

In all other cases an amount must be withheld on account of income tax at the basic rate (currently 20 per cent.), unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from H.M. Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. If interest has been paid subject to the withholding of United Kingdom income tax, the Issuer will not be obliged to pay any additional amount in respect of such withholding (and the attention of Noteholders is drawn to Condition 9 (*Taxation*)). In such circumstances, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Interest on the Fourth Issue Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding irrespective of the residence of the Noteholder. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless that Noteholder: (i) carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, for holders who are companies, through a UK permanent establishment, in connection with which the interest is received or to which the Fourth Issue Notes are attributable; or (ii) is a trustee of a trust with a United Kingdom beneficiary. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of any applicable double taxation treaty may also be relevant for such Noteholders.

Payments in Respect of the Note Guarantee

The United Kingdom withholding tax treatment of payments by the Note Guarantor under the terms of the Note Guarantee in respect of interest on the Fourth Issue Notes (or other amounts due under the Fourth Issue Notes other than the repayment of amounts subscribed for the Fourth Issue Notes) is uncertain. In particular, such payments by the Note Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Note Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

Transfer of the Notes

United Kingdom corporation taxpayers

In general Noteholders which are within the charge to United Kingdom corporation tax will be treated for tax purposes as realising profits, gains or losses (including exchange gains and losses) in respect of the Fourth Issue Notes on a basis which is broadly in accordance with their statutory accounting treatment so long as the accounting treatment is in accordance with generally accepted accounting practice as that term is defined for tax purposes. Such profits, gains and losses (or, where the Noteholder's functional currency is not sterling, then the sterling equivalent of such profits, gains and losses as computed in the Noteholder's functional currency) will be taken into account in computing taxable income for United Kingdom corporation tax purposes.

Other United Kingdom taxpayers

Taxation of Chargeable Gains

The Fourth Issue Notes are "qualifying corporate bonds" with the result that on a disposal of the Fourth Issue Notes neither chargeable gains nor allowable losses will arise for the purposes of taxation of capital gains.

Accrued Income Scheme

The provisions of the accrued income scheme as set out in Part XII of ITA (the "**Scheme**") may apply, in relation to a transfer of the Fourth Issue Notes, to Noteholders who are resident for tax purposes in the United Kingdom or who carry on a trade in the United Kingdom through a branch or agency to which the Note is attributable (other than Noteholders within the charge to corporation tax with respect to the Notes).

On a transfer of a Class A6 Note or Class AB2 Notes with accrued interest the Scheme may apply to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount.

Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax is payable on issue of the Fourth Issue Notes or on a transfer of the Fourth Issue Notes by delivery.

FATCA WITHHOLDING

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of FATCA and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to 1 January 2019 and Notes with a fixed term that are not treated as equity for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of Notes—Further and New Note Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes that are not distinguishable, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

HSBC Bank plc acting through its office at 8 Canada Square, London E14 5HQ and The Royal Bank of Scotland plc acting through its office at 135 Bishopsgate, London EC2M 3UR (the "**Joint Lead Managers**") have, pursuant to a subscription agreement (the "**Fourth Subscription Agreement**") between, *inter alios,* the Joint Lead Managers, the Issuer, the Obligors and Greene King dated 24 May 2016, agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or to procure subscriptions for, the Class A6 Notes at the issue price of 100 per cent. of their initial principal amount. Under the Fourth Subscription Agreement, Greene King has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Class AB2 Notes at the issue price of 100 per cent. of their initial principal amount.

In the Fourth Subscription Agreement, each of the Issuer, the Obligors and Greene King has agreed to reimburse the Joint Lead Managers for certain of their fees, costs and expenses in connection with the issue of the Class A6 Notes and related matters and each of the Issuer, the Obligors and Greene King has agreed to indemnify the Joint Lead Managers against certain liabilities incurred by it in connection therewith.

The Fourth Subscription Agreement is subject to a number of conditions and may be terminated by the Joint Lead Managers in certain circumstances prior to payment for the Class A6 Notes to the Issuer.

United Kingdom

Each Joint Lead Manager has represented that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Class A6 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Note Guarantor.

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Class A6 Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Joint Lead Manager has represented, warranted, undertaken and agreed with the Issuer that:

(a) it will not underwrite the issue of, or place, the Class A6 Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and the provisions of the Investor Compensation Act 1998;

(b) it will not underwrite the issue of, or place, the Class A6 Notes otherwise than in conformity with the provisions of the Irish Companies Acts 1963 to 2014 (as amended), the Irish Central Bank Acts 1942 – 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act 1998;

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Class A6 Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Class A6 Notes otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

France

Each of the Joint Lead Managers has represented and agreed that it has only made and will only make an offer of the Class A6 Notes to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* ("**AMF**") of the approval of the Prospectus relating to the Class A6 Notes by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU), all in accordance with Articles L. 412-1 and L. 621-8 of the French Code *monétaire et financier* and the *Règlement géneral* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Prospectus.

Belgium

The Class A6 Notes may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (the "**Prospectus Law**"), save in those circumstances set out in Article 3 §2-4 of the Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Prospectus or any other offering material relating to the Class A6 Notes has not been and will not be approved by, the Belgian Financial Services and Markets Authority ("*Autorité des services et marchés financiers/Autoriteit voor financiële diensten en markten*") (the "**FSMA**").

Accordingly, the offering may not be advertised and each of the Joint Lead Managers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Class A6 Notes and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

(a) qualified investors, as defined in Article 10 of the Prospectus Law;

(b) investors required to invest a minimum of €100,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §§2-4 of the Prospectus Law.

This Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offering of Class A6 Notes. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

United States

The Class A6 Notes and the Note Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

The Class A6 Notes and the Note Guarantee are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Terms used in this paragraph have the meanings given to them by Regulation S. Each Joint Lead Manager has represented and agreed that, except as permitted by the Fourth Subscription Agreement, it will not offer, sell or deliver the Class A6 Notes and the Note Guarantee (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Class A6 Notes and the Fourth Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and accordingly, that:

(a) neither it nor any of its affiliates (including any person acting on its behalf or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Class A6 Notes and the Note Guarantee; and

(b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Each Joint Lead Manager has also undertaken in the Fourth Subscription Agreement that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases the Class A6 Notes and the Note Guarantee from it during the compliance period a confirmation or notice setting forth the restrictions on offers and sales of the Class A6 Notes and the Note Guarantee within the United States or to, or for the account or benefit of, U.S. persons in substantially the following form:

> "The Securities covered hereby have not been registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, US persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of the Class A6 Notes and the Fourth Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition:

(a) each Joint Lead Manager has represented and agreed that except to the extent permitted under United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period that it will not offer or sell, any Class A6 Notes to a person who is within the United States or its possessions or to a United States person and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Class A6 Notes that are sold during the restricted period;

(b) each Joint Lead Manager has further represented and agreed that it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Class A6 Notes are aware that the Class A6 Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if a Joint Lead Manager is a United States person, that Joint Lead Manager has represented that it is acquiring the Class A6 Notes for purposes of resale in connection with their original issue and if it retains Class A6 Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate of each Joint Lead Manager which acquires Class A6 Notes from it for the purpose of offering or selling such Class A6 Notes during the restricted period, each Joint Lead Manager has either (i) repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) above on its behalf or (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b) and (c) above.

General

Under the Fourth Subscription Agreement, each Joint Lead Manager has acknowledged that no action has been or will be taken in any jurisdiction by it that would permit a public offering of the Class A6 Notes, or possession or distribution of the Prospectus (in preliminary or final form) or any amendment or supplement thereto or any other offering material relating to the Class A6 Notes in any country or jurisdiction where action for that purpose is required. Under the Fourth Subscription Agreement, each Joint Lead Manager has agreed to comply with all applicable laws and regulations and directives in each jurisdiction in or from which it purchases, offers, sells or delivers Class A6 Notes or have in its possession or distribute the Prospectus (in preliminary or in final form) or any amendment or supplement thereto or any other offering material.

GENERAL INFORMATION

1. The issue of the Fourth Issue Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on 27 April 2016.

2. It is expected that the listing of the Fourth Issue Notes on the Official List of the Stock Exchange will be granted on the Fourth Closing Date, subject only to the issue of the relevant Temporary Global Notes. The listing of the Fourth Issue Notes will be cancelled if any of the relevant Temporary Global Notes are not issued.

3. ACLSL is acting solely in its capacity as listing agent for the Issuer in connection with Fourth Issue Notes and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market for the purposes of the Prospectus Directive.

4. Any information sourced from third parties contained in this Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

5. The Fourth Issue Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and the ISIN for each class of the Fourth Issue Notes is as follows:

	Common Code	**ISIN**
Class A6 Notes	140117242	XS1401172421
Class AB2 Notes	140117269	XS1401172694

6. The Issuer is not involved in any legal, arbitration or governmental proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position and profitability, or the financial position and profitability of the Securitisation Group, nor is the Issuer aware that any such proceedings are pending or threatened.

7. None of the Obligors (including the Note Guarantor) is involved in any legal, arbitration or governmental proceedings which may have, or have had, during the 12 months preceding the date of this Prospectus a significant effect on the Securitisation Group's or the Obligors (including the Note Guarantor) financial position and profitability, nor are the Obligors (including the Note Guarantor) aware that any such proceedings are pending or threatened.

8. There are no potential conflicts of interest between any duties of the directors of the Initial Borrower to the Initial Borrower and the directors' private interests and/or other duties.

9. Since the date of its incorporation, the Issuer has not, save as disclosed in this Prospectus, entered into any contracts or arrangements not being in its ordinary course of business.

10. The auditor of the Issuer and the Initial Borrower as of and for the 52 weeks ended 3 May 2015 and as of and for the 53 weeks ended 4 May 2014 was Ernst & Young LLP of One Cambridge Business Park, Cambridge CB4 0WZ, United Kingdom, which is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

11. Christie & Co has given and has not withdrawn its written consent to the inclusion herein of its reports or review or references to them, as applicable, in the form and context in which they appear.

12. Ernst & Young LLP has given and not withdrawn its consent to the inclusion herein of its report in the form and context in which such report appears as set out in "*Annex 1 – Financial Information – Issuer*" (the "**Accountant's Report**"), and has authorised the contents of the parts of this Prospectus which comprise its report for the purposes of Section 3(2)(f) of Schedule 1 of the Prospectus (Directive 2003/71/EC) Regulations 2005. Ernst & Young LLP has no material interest in the Issuer.

13. Since its last published audited financial statements, there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer. There has been no material adverse change in the prospects of the Initial

Borrower since the date of their most recent audited financial statements, and there has been no significant change in the financial or trading position of the Initial Borrower or the Securitisation Group since the date of the most recent financial statements.

14. Save as disclosed in this Prospectus (as described in the sections entitled "*Information Incorporated by Reference*", "*Description of the Issuer Transaction Documents*", "*The Issuer*" and "*Issuer Parent*"), the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgage, charge or security or given any guarantees.

15. The Issuer will not publish interim accounts. The financial year end in respect of each of the Obligors and the end of the accounting period in respect of the Issuer is on or about 30 April in each year. The first financial year after the Fourth Closing Date for each of the Obligors will end on 30 April 2017. The first financial year after the Fourth Closing Date in respect of the Issuer will end on 30 April 2017.

16. Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus as approved by the Central Bank.

17. The total expenses related to admission of the Fourth Issue Notes to trading are estimated at €5491.20.

18. There are no restrictions on the Joint Lead Managers, *inter alia,* acquiring Fourth Issue Notes and/or providing investment advice and/or financing to or for third parties. Consequently, conflicts of interest may exist or may arise as a result of the Joint Lead Managers having different roles in this transaction and/or carrying out other transactions for third parties. In addition to acting as Joint Lead Manager, The Royal Bank of Scotland plc will also continue to act as a Swap Counterparty under an Interest Rate Swap Agreement and a Liquidity Facility Provider under a Liquidity Facility Agreement and in addition to acting as Arranger and Joint Lead Manager, HSBC Bank plc will also act as a Liquidity Facility Provider under a Liquidity Facility Agreement.

19. Copies of the following documents in physical form may be inspected during usual business hours at the Specified Offices of the Irish Paying Agent and at the registered office of the Issuer from the date of this Prospectus and for so long as any of the Fourth Issue Notes remains outstanding:

    (aa) the memorandum and articles of association of the Issuer and each Obligor;

    (bb) the financial statements of the Issuer as of and for the 53 weeks ended 4 May 2014 and as of and for the 52 weeks ended 3 May 2015, and the financial information of the Issuer as of and for the 52 weeks ended 3 May 2015;

    (cc) the financial statements of the Initial Borrower as of and for the 53 weeks ended 4 May 2014 and as of and for the 52 weeks ended 3 May 2015;

    (dd) the Valuation Report;

    (ee) the consent referred to in paragraphs 11 and 12 above; and

    (ff) prior to the Fourth Closing Date, drafts (subject to modification) and after the Fourth Closing Date, copies of the following documents:

        (i) the Third Master Amendment Deed;

        (ii) the Third Supplemental Issuer Deed of Charge;

        (iii) the Third Supplemental Borrower Deed of Charge;

        (iv) the Original Note Trust Deed, the Second Supplemental Note Trust Deed and the Third Supplemental Note Trust Deed;

        (v) the Agency Agreement;

(vi) the Original Issuer Deed of Charge, the First Supplemental Issuer Deed of Charge and the Second Supplemental Issuer Deed of Charge;

(vii) the Interest Rate Swap Agreements;

(viii) the Liquidity Facility Agreements;

(ix) the Issuer/Borrower Facility Agreement;

(x) the Original Borrower Deed of Charge, the First Supplemental Borrower Deed of Charge and the Second Supplemental Borrower Deed of Charge;

(xi) the Standard Securities;

(xii) the Account Bank and Cash Management Agreement;

(xiii) the Issuer/Borrower Swap Agreement;

(xiv) the Tax Deed of Covenant;

(xv) the Corporate Services Agreement;

(xvi) the Initial Borrower Subordinated Loan Agreement;

(xvii) the GK Security Deed; and

(xviii) the Master Definitions and Construction Schedule.

20. Aside from the Investor Reports, the Issuer does not intend to provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral.

INDEX OF DEFINED TERMS

There follows an index of the defined terms used in this Prospectus, together with details of the page(s) on which such term is or are defined.

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Annex 1
Financial Information – Issuer

Income Statement

for the 52 weeks ended 3 May 2015

	Notes	52 weeks to 3 May 2015 £'000
Interest receivable and similar income	4	**79,961**
Interest payable and similar charges	5	**(79,956)**
Other income	2	**50**
Other expenses	2	**(161)**
Operating (loss) and (loss) on ordinary activity before taxation		**(106)**
Tax on (loss) on ordinary activities	6	**(1)**
(Loss) for the financial period	13	**(107)**

As detailed in note 13, there were no other gains or losses in 2015 other than those included in the income statement.

All activities related to continuing operations.

The notes on pages 4 to 15 form part of this financial information.

Balance sheet

as at 3 May 2015

	Notes	3 May 2015 £'000
Current assets		
Debtors: due within one year	7	**69,823**
Debtors: due after more than one year	7	**1,414,021**
		1,483,844
Cash at bank		**157,585**
Total assets		**1,641,429**
Creditors: due within one year		
Interest bearing liabilities	8	**(189,777)**
Other creditors	8	**(37,601)**
		(227,378)
Total assets less current liabilities		**1,414,051**
Creditors: due after more than one year	9	**(1,414,021)**
Net assets		**30**
Capital and reserves		
Called up share capital	12	**13**
Profit and loss account	13	**17**
Total equity	13	**30**

The notes on pages 4 to 15 form part of this financial information.

Statement of changes in equity

As at 3 May 2015

	Share Capital £'000	Profit and loss £'000	Total Equity £'000
As at 5 May 2014	**13**	**124**	**137**
Comprehensive income for the period			
Loss for the financial period	-	(107)	(107)
Total comprehensive income for the period	**-**	**(107)**	**(107)**
As at 3 May 2015	**13**	**17**	**30**

The notes on pages 4 to 15 form part of this financial information.

Notes to the special purpose financial information

for the period ended 3 May 2015

1. Accounting policies

Greene King Finance plc (the "company") is incorporated and domiciled in England and Wales. The special purpose financial information is presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

Basis of preparation

The company will prepare its statutory financial statements for the period ending 1 May 2016 in compliance with the requirements of Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"), including comparative information for the period ended 3 May 2015. Those financial statements will be the first financial statements prepared by the company in accordance with FRS 101 and will take into account the requirements and options in IFRS 1 'First time adoption of IFRS' (IFRS 1) relating to the comparative information therein. Accordingly, this special purpose financial information has been prepared on the basis expected to be applicable to the comparative information for the period ended 3 May 2015 that will be prepared for inclusion in that first set of financial statements prepared in accordance with FRS 101.

The special purpose financial information has been prepared by the company in accordance with FRS 101 and in accordance with applicable UK accounting standards for inclusion in this prospectus, except as described below.

Information on the impact of first-time adoption of FRS 101 is given in note 16. The company is not required by the UKLA's prospectus rules (the "Prospectus Rules") to prepare, for inclusion in this prospectus, financial information in accordance with FRS 101 for any financial period commencing before 5 May 2014. Accordingly, the directors of the company have elected not to prepare comparative amounts in the financial information and as a result the financial information does not represent a full set of financial statements in accordance with FRS 101.

The preparation of financial information in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The special purpose financial information does not constitute statutory financial statements.

First time application of FRS 100 and FRS 101

In preparing this special purpose financial information, the directors of the company have applied the first time adoption provisions set out in IFRS 1 and the assumption they have made about the standards and interpretations expected to be effective and the accounting policies expected to be adopted in the 1 May 2016 FRS 101 financial statements. However, certain of the requirements and options in IFRS 1 relating to comparative financial information presented on first time adoption may result in a different application to the 3 May 2015 comparative information in the 1 May 2016 FRS 101 financial statements. If there are subsequent changes to FRS 101 or IFRS standards, the comparative information for the year ended 3 May 2015 may require adjustment for the purpose of those financial statements. Furthermore, the directors of the Company may, in drawing up the 1 May 2016 financial statements, make different choices from those which have been applied in preparing this special purpose financial information in respect of the options in IFRS 1.

The change in the basis of preparation to FRS 101 has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in note 16.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

Financial Reporting Standard 101 – Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement :
- paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 380, 40A, 40B, 40C, 400 and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Notes to the special purpose financial information

for the period ended 3 May 2015

1. Accounting policies (continued)

Significant accounting judgements and estimates

The preparation of financial information requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The group bases its estimates and judgements on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates. The estimates and judgements considered to be most significant are detailed below:

Derivative financial instruments and hedge accounting

Judgement is required when calculating the fair value of the company's interest swaps. Note 11 describe the key assumptions and valuation model inputs used in the determination of these fair values.

Going concern

At the balance sheet date the company had net assets and net current assets of £30,000. Greene King Retailing Limited holds the long term loans issued by the company amounting to £1,237,664,000. The company receives quarterly trading updates from Greene King Retailing Limited's parent company, Greene King Retailing Parent Limited, which are reviewed by management to assess its ability to meet their obligations to Greene King Finance plc. The Greene King Retailing Parent Limited group is a significant part of Greene King plc group and therefore management also review the Greene King plc group's forecast and projections, which take account of reasonably possible changes in trading performance.

After making enquiries the directors have a reasonable expectation that the total assets of £1,641,429,000 are recoverable and that the company has adequate resources to continue in operational existence for the foreseeable future being a period of no less than 12 months from the date of this prospectus and are satisfied that the company is able to meet its liabilities as they fall due.

Notes 10 and 11 to the financial information include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit and liquidity risk.

Accordingly the directors continue to adopt the going concern basis in the preparation of this financial information.

Interest receivable and payable

Interest receivable and payable is recognised on an effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Term loans

Term loans to Greene King Retailing Limited are initially recognised at their fair value plus transaction costs that are directly attributable to the transaction. After initial recognition, term loans are measured at amortised cost using the effective interest method.

Bond finance

Bond finance is initially recognised at the fair value of the consideration, net of issue costs. After initial recognition, interest bearing bonds are measured at amortised cost using the effective interest method.

Derivative financial instruments and hedge accounting

The company uses interest rate swaps to minimise interest rate exposure on its variable rate bonds.

Interest rate swaps are initially measured at fair value, if any, and carried on the balance sheet as an asset or liability. Subsequent measurement is at fair value determined by reference to market values for similar instruments. If a derivative does not qualify for hedge accounting the gain or loss arising on the movement in fair value is recognised in the income statement.

Notes to the special purpose financial information

for the period ended 3 May 2015

1. Accounting policies (continued)

Hedge accounting

To qualify for hedge accounting the hedge relationship must be designated and documented at inception. Documentation must include the company's risk management objective and strategy for undertaking the hedge and formal allocation to the item or transaction being hedged. The company also documents how it will assess the effectiveness of the hedge and carries out assessments on a regular basis to determine whether it has been, and is likely to continue to be, highly effective.

Hedges can be classified as either fair value (hedging exposure to changes in fair value of an asset or liability), or cash flow (hedging the variability in cash flows attributable to an asset, liability, or forecast transaction). The company uses its interest rate swaps as cash flow hedges.

Cash flow hedge accounting

The effective portion of the gain or loss on an interest rate swap is recognised directly in equity, whilst any ineffective portion is recognised immediately in the income statement.

Amounts taken to equity are transferred to the income statement in the same period that the financial income or expense is recognised, unless the hedged transaction results in the recognition of a non-financial asset or liability whereby the amounts are transferred to the initial carrying amount of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting, amounts previously recognised in equity are held there until the previously hedged transaction affects profit or loss. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is immediately transferred to the profit and loss account.

Taxes

Income Tax

The income tax charge comprises both the income tax payable based on profits for the year and the deferred income tax. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

2. Operating profit

The company was incorporated for the purpose of raising funds through the issuance of notes the proceeds of which are on-lent to Greene King Retailing Limited. Interest payable and similar charges therefore represents interest payable on bond finance and amounts payable on interest rate swap agreements related to bond finance as described in Note 5. Interest receivable and similar charges represents the interest receivable on term loans made to Greene King Retailing Limited and amounts receivable on interest rate swap agreements related to term loans as described in Note 4.

Other income relates to the recharge of trustee fees payable and other operating income. Other expenses relate to trustee fees payable and other operating expenses. As part of the securitisation management services agreement the auditor is remunerated by Greene King Brewing and Retailing Limited, which is a member of the Greene King plc group. The audit fee for the Greene King plc group for the 52 weeks ended 3 May 2015 was £333,000, of which an audit fee of £11,500 is allocated to this company.

3. Directors' emoluments and staff costs

The company had no employees during the period. The directors received no remuneration during the period for their qualifying services to the company.

Notes to the special purpose financial information
for the period ended 3 May 2015

4. Interest receivable and similar income

	52 weeks to 3 May 2015 £'000
Interest receivable on term loans	50,697
Amounts receivable on interest rate swap agreements related to term loans	28,539
Net interest receivable on term loans	79,236
Interest receivable on liquidity facility	725
	79,961

5. Interest payable and similar charges

	52 weeks to 3 May 2015 £'000
Interest payable on bond finance	50,692
Amounts payable on interest rate swap agreements related to bond finance	28,539
Net interest payable on bond finance	79,231
Interest payable on liquidity facility	725
	79,956

6. Taxation

	52 weeks to 3 May 2015 £'000
Current taxation	
UK corporation tax	1

Factors affecting tax on (loss) on ordinary activities

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20.9%. The differences are explained below:

	52 weeks to 3 May 2015 £'000
(Loss) on ordinary activities before tax	(106)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.9%	(22)
Effects of:	
Net expenses not taxable	23
Tax on (loss) on ordinary activities	1

Notes to the special purpose financial information
for the period ended 3 May 2015

6. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2013 reduced the rate of corporation tax from 21% to 20% from 1 April 2015.

The Finance Act (No.2) 2015 further reduced the corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020. These further reductions had not been substantively enacted at the balance sheet date and consequently are not included in these accounts.

The above changes to the rate of corporation tax may impact the amount of future cash tax payments to be made by the company.

7. Debtors

	3 May 2015 £'000
Amounts falling due within one year:	
Term loans (note 10)	32,277
Derivative financial instruments (note 11)	27,105
Accrued interest receivable	10,441
	69,823
Amounts falling due after more than one year:	
Term loans (note 10)	1,205,387
Derivative financial instruments (note 11)	208,634
	1,414,021

8. Creditors: amounts falling due within one year

	3 May 2015 £'000
Interest bearing liabilities	
Bond finance (note 10)	32,277
Liquidity facility loan	157,500
	189,777
Other creditors	
Derivative financial instruments (note 11)	27,105
Corporation tax	4
Accruals and deferred income	10,492
	37,601

9. Creditors: amounts falling due after more than one year

	3 May 2015 £'000
Bond finance (note 10)	1,205,387
Derivative financial instruments (note 11)	208,634
	1,414,021

Notes to the special purpose financial information

for the period ended 3 May 2015

10. Bond finance and term loans

The company's bond finance and term loans at 3 May 2015 consist of the following tranches:

	Nominal value 2015 £'000	**Carrying ** value 2015 £'000**	Effective interest ***Rate %	Principal repayment period
Bond finance				
A1 bonds	123,177	**122,719**	*6.11	2012 - 2031
A2 bonds	242,678	**241,701**	5.32	2005 - 2031
A3 bonds	84,871	**84,523**	*6.09	2006 - 2021
A4 bonds	258,894	**258,352**	5.11	2021 - 2034
A5 bonds	250,221	**250,221**	*7.76	2008 - 2033
AB1 bonds	60,000	**60,000**	*10.51	2033 - 2036
B1 bonds	120,853	**120,456**	6.36	2031 - 2034
B2 bonds	99,927	**99,692**	*6.92	2034 - 2036
	1,240,621	**1,237,664**		
Term Loans receivable				
A1 bonds	123,177	**122,719**	*6.11	2012 - 2031
A2 bonds	242,678	**241,701**	5.32	2005 - 2031
A3 bonds	84,871	**84,523**	*6.09	2006 - 2021
A4 bonds	258,894	**258,352**	5.11	2021 - 2034
A5 bonds	250,221	**250,221**	*7.76	2008 - 2033
AB1 bonds	60,000	**60,000**	*10.51	2033 - 2036
B1 bonds	120,853	**120,456**	6.36	2031 - 2034
B2 bonds	99,927	**99,692**	*6.92	2034 - 2036
	1,240,621	**1,237,664**		

* includes the effect of interest rate swaps.

** carrying value is net of related deferred finance fees.

*** includes the effect of future rate step-ups.

The Class A1, A3, A5, AB1 and B2 bonds have floating interest rates, Class A2 and A4 bonds have fixed interest rates and Class B1 bonds have fixed/floating rates.

Repayment of nominal is made by quarterly instalments, in accordance with the repayment schedule, within the date ranges shown above. Payment of interest is made on quarterly dates for all classes of bond. All of the floating rate bonds are fully hedged using interest rate swaps.

The Class A1, A2, A3, A4 and A5 bonds rank pari passu in point of security and as to payment of interest and principal, and have preferential interest payment and repayment rights over the Class AB1 and Class B bonds. The Class B1 and B2 bonds rank pari passu in point of security, principal repayment and interest payment.

The Class AB1 bonds rank pari passu in point of security and as to payment of interest and principal, and have preferential interest payment and repayment rights over the Class B bonds.

The proceeds of the issues of bond finance are lent to Greene King Retailing Limited as part of a securitisation of a portion of Greene King plc group's pubs business. The maturity dates and loan payment dates of the term advances correspond to the terms of the relevant class of bonds.

The payment of interest and repayment of principal by Greene King Retailing Limited will provide the primary source of funds for interest and principal payments on the bonds.

Notes to the special purpose financial information
for the period ended 3 May 2015

10. Bond finance and term loans (continued)

Liquidity facility

During the previous period the standby liquidity facility provider had its short-term credit rating downgraded below the minimum prescribed in the relevant facility agreement and as such the group exercised its entitlement to draw the full amount of the facility and hold it in a designated bank account. The corresponding balance of £157,552,000 held in this bank account is included within cash. The amounts drawn down can only be used for the purpose of meeting the group's external securitisation's debt service obligations should there ever be insufficient funds available from operations to meet such payments

As such these amounts are considered to be restricted cash.

11. Financial instruments and loan capital

The primary risk management policies and the objectives of the company are to manage the financial risks that arise in relation to the underlying business needs of the Greene King plc group and to provide secure and competitively priced funding for the activities of that group. This is performed via the issue of external loan notes and the onward lending of the proceeds to other members of the Greene King group for the purpose of securitising a proportion of the group's licensed estate. Where appropriate, the company uses financial instruments and derivatives to manage these risks.

The principal financial instruments held for the purpose of raising finance for operations are securitised bonds.

Derivative financial instruments, interest rate swaps, are used to manage the interest rate risks related to the company's operations and financing sources. No speculative trading in derivative financial instruments is undertaken.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and de-recognised when the group no longer controls the contractual rights that comprise the financial instrument, normally through sale or when all cash flows attributable to the instrument are passed to an independent third party.

The main risks from the company's financial instruments are interest rate risk and liquidity risk. The policy for managing each of these risks is set out below:

Interest rate risk

Exposure to changes in interest rates on the company's borrowings is reviewed with regard to the maturity profile and cash flows of the underlying debt. The company uses a mixture of fixed and floating interest rate debt with exposure to market interest rate fluctuations primarily arising from the floating rate instruments. The company's policy is to keep 100% of its variable rate bond finance at fixed rates of interest to mitigate the interest rate risk; this is done through the use of interest rate swaps. At the period end 100% of variable rate bond finance was fixed after taking account of interest rate swaps.

The company has entered into "back to back" interest rate swap arrangements internally with Greene King Retailing Limited and externally with bond holders covering 100% of the variable interest rate exposure. Therefore the impact of any changes in interest rates on the fair values of its financial instruments would directly offset and have no impact on the company's profit before tax or equity.

The liquidity facility loan is at a variable rate of interest, the interest rate risk is migrated by the related restricted cash assets being held in an interest bearing deposit account.

Notes to the special purpose financial information

for the period ended 3 May 2015

11. Financial instruments and loan capital (continued)

Liquidity risk

The company mitigates liquidity risk by ensuring that the maturity profile of amounts receivable on term loans is matched exactly against the maturity profile of amounts payable on bond finance.

The contractual, undiscounted, cash flows within the liquidity table below have been calculated based on the financial liabilities in existence at the year-end date using the following inputs:

- Known contractual principal capital payments based on loan agreements.
- Interest payments based on rates set out in loan agreements. Where the rate is based on LIBOR plus a margin, LIBOR has been calculated using forward yield curves at the end of the reporting period.
- Expected net settlement of interest rate swaps.

Period ended 3 May 2015	Within one year £'000	One to two years £'000	Two to five years £'000	More than Five years £'000	Total £'000
Bond finance:					
- Capital	32,893	34,772	116,723	1,056,233	1,240,621
- Interest	46,935	48,107	146,452	416,119	657,613
	79,828	82,879	263,175	1,472,352	1,898,234
Interest rate swaps settled net	27,301	23,544	53,702	162,471	267,018
	107,129	106,423	316,877	1,634,823	2,165,252
Term loans receivable:					
- Capital	32,893	34,772	116,723	1,056,233	1,240,621
- Interest	46,936	48,108	146,453	416,123	657,620
	79,829	82,880	263,176	1,472,356	1,898,241
Interest rate swaps settled net	27,301	23,544	53,702	162,471	267,018
	107,130	106,424	316,878	1,634,827	2,165,259

Hedging

The company's policy is to hedge exposure to interest rate risk. Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is recognised.

At 3 May 2015, the company held 5 interest rate swap contracts for a nominal value of £618,195,000, entered into as part of the securitisation and subsequent securitisation taps. A fair value liability of £235,739,000 exists as at the period end in respect of these contracts which are designated cash flow hedges against £618,195,000 of variable rate bonds, receiving a variable rate of interest based on LIBOR and paying a weighted average fixed rate of 7.3%. The contract maturity dates are December 2034 and March 2036, but amortise in line with the floating portion of the loan and principal repayments. The bonds and interest rate swaps have the same critical terms, excluding credit risk.

The company has also entered into equal and opposite interest rate swap arrangements with Greene King Retailing Limited in respect of the term loans issued to that company. The terms, values and maturity analysis of these swaps directly mirror the swaps designed to hedge interest rate risk on the bond finance. The company therefore receives a weighted average fixed rate of 7.3% and pays a variable rate based on LIBOR. The fair value of these swaps at the period end was an asset of £235,739,000.

Changes in cash flow hedge fair values are recognised in the hedging reserve to the extent that the hedges are effective.

Due to the existence of equal and opposite interest rate swap arrangements with Greene King Retailing Limited, noted above, there will be no overall impact on equity from transactions arising as a result of the cash flow hedges as these will offset each other.

Notes to the special purpose financial information
for the period ended 3 May 2015

11. Financial instruments and loan capital (continued)

The remaining cash flow hedges have been assessed as being highly effective during the period and are expected to remain highly effective over the remaining contract lives.

Fair values

Set out below is a comparison of carrying amounts and fair values of all of the company's financial instruments:

	3 May 2015 Fair value £'000	Carrying value £'000
Financial liabilities:		
Bond finance	1,307,003	1,237,664
Liquidity facility loan	157,500	157,500
Derivative financial instruments	235,739	235,739
Financial assets		
Term loans	(1,307,003)	(1,237,664)
Cash	(33)	(33)
Liquidity facility deposit	(157,552)	(157,552)
Derivative financial instruments	(235,739)	(235,739)

Market values have been used to determine the fair value of listed bond finance. Fair values and effective interest rates of derivatives have been based on quotations from counterparties and represent estimates of the amount the company would expect to pay or receive on termination of the agreements.

The fair value of the term loans is considered to be the same as the bond finance given the proceeds of the issues of bond finance are lent to Greene King Retailing Limited as part of a securitisation of a portion of Greene King plc group's pubs business. The maturity dates and loan payment dates of the term advances correspond to the terms of the relevant class of bonds. The fair value of other financial assets and liabilities are not materially different from book value.

The only financial instruments recorded at fair value in the balance sheet are the derivative financial instruments for which the fair value measurements are classified as Level 2.

Hierarchical classification of financial assets and liabilities measured at fair value

IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive fair value.

The classification uses the following three-level hierarchy:

Level 1 – unadjusted quoted prices in active markets for identical assets of liabilities.

Level 2 – other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the period ended 3 May 2015 there were no transfers between levels 1, 2 or 3 fair value measurements.

Capital risk management

The company aims to manage the risk associated with its capital by ensuring that the terms and conditions relevant to the debt issued by the company are directly reflected in the terms and conditions associated with the term loan lending that it has issued to Greene King Retailing Limited. By ensuring that the terms are identical, with a small margin charged to Greene King Retailing, the company offsets the risks related to its capital structure and use of debt. No changes were made in the objectives, policies or processes during the period.

Capital management also takes place on a group wide basis. Debt and equity are considered to be the company's capital. The Greene King group monitors capital using interest cover and several other measures as disclosed in the Greene King plc accounts.

Notes to the special purpose financial information

for the period ended 3 May 2015

12. Allotted and issued share capital

Allotted, called up and partly paid

	3 May 2015 No	3 May 2015 £
Ordinary shares of £1 each	**50,000**	**12,502**

On incorporation of the company Greene King Finance Parent Limited subscribed for one ordinary share of £1 and Law Debenture Corporate Services Limited subscribed for one further ordinary share of £1, each fully called up for consideration of £1 per share.

On 21 January 2005, 49,998 ordinary shares of £1 were allotted to Greene King Finance Parent Limited with £0.25 called up and paid.

The directors of the company have no rights to subscribe for additional shares in the company.

13. Reserves

As the fair values of the swap liabilities relating to the bond finance and the swap asset relating to the term loans are identical any transactions arising as a result of cash flow hedges on the asset and liabilities recorded through equity will be equal and opposite and hence have no overall impact on the hedging reserve or statement of comprehensive income. As a result of this a hedging reserve and statement of comprehensive income have not been separately presented.

Losses taken to equity in relation to the bond finance swaps amounted to £94.0m. Cash flow hedges recycled to the income statement from the statement of comprehensive income amounted to £28.5m.

Gains taken to equity in relation to the swaps assets on the term loans amounted to £94.0m. Cash flow hedges recycled to the income statement from the statement of comprehensive income amounted to £28.5m.

14. Related party transactions

The company has issued term loans to Greene King Retailing Limited, a subsidiary of Greene King plc. Details of the amounts outstanding on the term loans are included in note 10 to this financial information. Details of the interest received on the loans are included in note 4.

15. Ultimate parent company

At 3 May 2015, the directors consider the immediate parent undertaking of Greene King Finance Plc to be Greene King Finance Parent Limited, a company incorporated in England and Wales. This is also the undertaking of the smallest group which includes the results of the company and for which group accounts are prepared.

The ultimate parent company and ultimate controlling party is Greene King plc, a company registered in England and Wales. This is also the undertaking of the largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

Notes to the special purpose financial information
for the period ended 3 May 2015

16. Explanation of transition to FRS 101

From 4 May 2015 the company will start presenting its financial statements under FRS 101. The comparatives for the period ending 1 May 2016, the period ended 3 May 2015, will be represented under FRS 101. The date of transition is therefore 5 May 2014.

Reconciliation of equity at 5 May 2014

	Notes	As previously reported under UK GAAP £'000	Effect of transition £'000	Under FRS 101 £'000
Current assets				
Debtors: due within one year	1	70,166	(8)	70,158
Debtors: due after more than one year	1	1,380,188	(582)	1,379,606
		1,450,354	(590)	1,449,764
Cash at bank		157,528	-	157,528
Total assets		1,607,882	(590)	1,607,292
Creditors: due within one year				
Interest bearing liabilities		(188,421)		(188,421)
Other creditors	1	(39,136)	8	(39,128)
		(227,557)	8	(227,549)
Total assets less current liabilities		1,380,325	(582)	1,379,743
Creditors: due after more than one year	1	(1,380,188)	582	(1,379,606)
Net assets		**137**	**-**	**137**
Capital and reserves				
Called up share capital		13	-	13
Profit and loss account		124	-	124
Total equity		**137**	**-**	**137**

1. Fair value of liabilities

In accordance with IFRS 13, the company has reflected the risk of non-performance in its fair value measurement of liabilities and assets, specifically its own credit risk.

Notes to the special purpose financial information
for the period ended 3 May 2015

16. Explanation of transition to FRS 101 (continued)

Reconciliation of equity at 3 May 2015

	Notes	As previously reported under UK GAAP £'000	Effect of transition £'000	Under FRS 101 £'000
Current assets				
Debtors: due within one year	1	69,832	(9)	69,823
Debtors: due after more than one year	1	1,414,857	(836)	1,414,021
		1,484,689	(845)	1,483,844
Cash at bank		157,585	-	157,585
Total assets		1,642,274	(845)	1,641,429
Creditors: due within one year				
Interest bearing liabilities		(189,777)	-	(189,777)
Other creditors	1	(37,610)	9	(37,601)
		(227,387)	9	(227,378)
Total assets less current liabilities		1,414,887	(836)	1,414,051
Creditors: due after more than one year	1	(1,414,857)	836	1,414,021
Net assets		**30**	**-**	**30**
Capital and reserves				
Called up share capital		13	-	13
Profit and loss account		17	-	17
Total equity		**30**	**-**	**30**

1. Fair value of liabilities

In accordance with IFRS 13, the company has reflected the risk of non-performance in its fair value measurement of liabilities and assets, specifically its own credit risk.

The Directors
Greene King Finance plc
Westgate Brewery
Bury St Edmunds
Suffolk IP33 1QT

24 May 2016

Dear Sirs

Greene King Finance plc

We report on the financial information set out in this Annex 1 for the 52 weeks ended 3 May 2015 (the "**Financial Information**"). The Financial Information has been prepared for inclusion in the Prospectus dated 24 May 2016 of Greene King Finance plc (the "**Company**") on the basis of the accounting policies set out in note 1. This report is required by item 11.1 of Annex IX of Commission Regulation (EC) No 809/2004 and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Section 3(2)(f) of Schedule 1 of the Prospectus (Directive 2003/71/EC) Regulations 2005 to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.1 of Annex IX to Commission Regulation (EC) 809/2004, consenting to its inclusion in the prospectus.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information in accordance with the basis of preparation set out in note 1.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Prospectus dated 24 May 2016, a true and fair view of the state of affairs of the Company as at the date stated and of its profits and changes in equity for the period then ended in accordance with the basis of preparation set out in note 1.

Declaration

For the purposes of Section 3(2)(f) of Schedule 1 of the Prospectus (Directive 2003/71/EC) Regulations 2005 we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex IX of Commission Regulation (EC) 809/2004.

Yours faithfully

Ernst & Young LLP

Annex 2
Financial Statements – Initial Borrower

The financial statements for the Initial Borrower for the period ended 4 May 2014 are included below and will be separately paginated.

Registered number: 5265451

GREENE KING RETAILING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Period Ended 4 May 2014

STRATEGIC REPORT
For the Period Ended 4 May 2014

The directors present their strategic report for the period ended 4 May 2014.

Principal activities, business review and future outlook

The company's principal activities during the period continued to be the management of public houses, and the retailing of beers, wines, spirits and soft drinks.

Our strategy is to improve growth through increasing our exposure to the more attractive categories in our markets, such as food, coffee, wine and rooms, and by increasing the level of influence and control we have over our offers in these categories. In order to achieve this most efficiently we aim to grow our managed pub business and improve the overall quality of the estate through targeted acquisition and investment in our people, our offers and our assets. We aim to improve the quality and sustainability of our tenanted and leased business, by improving the customer offer, investing in core assets and reducing the size of the estate.

Greene King pic's operations are managed at a Greene King pic group level and the directors therefore believe that disclosure of key performance indicators for the company are not appropriate to understand the performance or position of the business. The performance of Greene King is discussed in the Greene King pic annual report and financial statements which are publicly available.

Principal risks and uncertainties

Formal risk management processes are in place across the company to identify and evaluate risks, taking into account the likelihood of their occurrence and the scale of potential impact on the business.

The principal risks and uncertainties facing the company are broadly grouped as - economic and market risks, financial risks, regulatory risks and operational and people risks.

Economic and market risks

The wider economic situation within the UK continues to affect consumer confidence, with a consequential impact on levels of consumer spending in our pubs and those of our tenants and lessees. We also face increasing competitor activity. Consumers spending less in our pubs whether due to concerns over interest rates, spending on large ticket items elsewhere, or significant competitor activity, could reduce our revenue and lead to lower growth rates.

Inflationary trends increase the costs of our key products, including food, drink and site services including utilities. Higher costs could impact margins and lead to reduced profitability.

Financial risks

Our financing structure requires us to be able to repay capital borrowed and interest on time and to ensure that we operate within certain financial covenants. Breaching our financial covenants would have a significant impact on our ability to reinvest cash back into the business.

We are reliant on maintaining robust systems of internal control to deal accurately with the large numbers of transaction undertaken by the business and to ensure compliance with statutory obligations particularly with regard to taxation. Inadequate internal control systems increase the risk of fraud being perpetrated against us. It could also impact our reputation and ongoing creditworthiness.

Regulatory risks

The government has confirmed that it proposes to introduce a statutory code to manage the relationship between pub companies and their tenants which could have significant implications for our tenanted division. A mandatory statutory code, particularly if it introduced greater controls on how pub companies can deal with their tenants, could increase costs for tenanted estate and reduce revenue.

We are required to comply with a wide range of health & safety legislation, including in the areas of food safety and fire safety, across all parts of our business. A major food safety or health & safety incident which causes serious illness, injury or even loss of life to one of our customers, employees or tenants could have a significant impact on our reputation.

Operational and people risks

An event or series of events (including poor service standards and food provenance issues) may occur which damages our brand in the eyes of our customers, particularly in the age of increasing use of social media.

We are reliant on the quality of our employees and our licensees. A failure to attract, develop, retain and motivate the best employees at all levels of the organisation and the best tenants may mean that we are not able to execute our business plans and strategy.

We are reliant on information systems and technology for many aspects of our business. An inability to quickly recover key operating systems could impact our ability to do business and cause reputational damage. Loss or theft of personal data belonging to our customers or employees (including by cyber attack) could also cause reputational and financial damage.

This report was approved by the board on 9 December 2014 and signed on its behalf.

Mrs L A Keswick
Secretary

DIRECTORS' REPORT
For the Period Ended 4 May 2014

The directors present their report and the financial statements for the period ended 4 May 2014.

Results and dividends

The loss for the period, after taxation, amounted to £39 million (2013 - loss £20 million).
The directors do not recommend the payment of a dividend (2013 - £Nil).

Directors

The directors who served during the period were:
R Anand
M Fearn (resigned 29 September 2014)
C Houlton
S Jebson
R Lewis
K Milbanks (appointed 12 March 2014)
J Smith (appointed 12 March 2014 & resigned 22 August 2014)
S Longbottom (resigned 7 April 2014)
J P Webster

S J Connor was appointed to the board on 8 September 2014.

None of the directors held any interest in the share capital of the company during the period.

The interests of the directors in the shares of the ultimate parent company, Greene King pic, are shown in the accounts of that company, where they are directors of Greene King pic.

Events since the end of the year

On 1 May 2014 contracts exchanged for the sale of 256 non core tenanted and leased pubs to Hawthorn Leisure Limited, backed by Avenue Capital Group and May Capital LLP, for a total consideration of £71 m. The sale completed on 2 June 2014. £19m of the current year's impairment charge relates to this transaction.

Financial instruments

The company's policy on the use of financial instruments is set out in note 17.

Employee involvement

The company meets its employment needs by the use of seconded staff from fellow group companies. As a result of this, the company adheres to the group's employment policies which are detailed below:

Internal communications

The company is committed to involving employees in its activities and believes that effective communication brings important business benefits. This is achieved through regular briefings, internal news announcements and access to an intranet for all computer-using employees, whilst information about the business is published in a range of in-house magazines and the annual report of Greene King plc.

Employee benefits

The group operates a sharesave option scheme in which all employees can participate. The scheme is intended to enhance commitment to the success of the company. All employees are offered access to a stakeholder-compliant defined contribution pension scheme.

Training and development

The company is committed to developing its people. Training and development opportunities are provided for all employees, and range from bar skills training to MBA programmes. By giving employees the skill and knowledge essential to perform their jobs effectively, the group believes it will create a professional and highly motivated workforce that will take the business forward.

Disabled employees

The company is committed to the principle of equal opportunities for all. The rationale for recruitment and selection is the ability and aptitude of applicants. Disabled people are offered the same opportunities as all others in respect of recruitment, training, promotion and career development, taking account of their skills and qualifications. Employees who become disabled will be retained and retrained wherever possible.

Qualifying third party indemnity provisions

The company has indemnified the directors of the company in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in place at the date of this report.

Going concern

The company's business activity, together with the factors likely to affect its future development, performance and position are set out in the business review and future outlook section of the strategic report.

The directors are of the opinion that the company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its current borrowing facilities and comply with its financing covenants.

At the balance sheet date the company had net liabilities of £152m. Within this amount is a £394m subordinated loan due to another group company. This loan cannot be repaid until all the securitised debt has been repaid.

The directors have prepared the accounts on a going concern basis as the ultimate parent company, Greene King pic, has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due, for at least twelve months from the date of signing these accounts.

After making enquiries of the directors of Greene King pic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 December 2014 and signed on its behalf.

Mrs L A Keswick
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
For the Period Ended 4 May 20 14

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING RETAILING LIMITED

We have audited the financial statements of Greene King Retailing Limited for the period ended 4 May 2014, which comprise the profit and loss account, the balance sheet and the related notes I to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 4 May 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the 53 week period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING RETAILING LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bob Forsyth (senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor
Cambridge, UK

9 December 2014

GREENE KING RETAILING LIMITED

PROFIT AND LOSS ACCOUNT
For the Period Ended 4 May 2014

	Note	**53 weeks ended 4 May 2014 £M**	52 weeks ended 28 April 2013 £M
Turnover	2	**655**	602
Cost of sales		**(220)**	(205)
Gross profit		**435**	397
Administrative expenses		**(305)**	(275)
Exceptional items	7	**(36)**	(18)
Total administrative expenses		**(341)**	(293)
Operating profit	3	**94**	104
Interest receivable and similar income	5	**2**	2
Interest payable and similar charges	6	**(133)**	(128)
Loss on ordinary activities before taxation		**(37)**	(22)
Tax on loss on ordinary activities	8	**(2)**	2
Loss for the financial period	20	**(39)**	(20)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.
The notes on pages II to 25 form part of these financial statements.

GREENE KING RETAILING LIMITED
Registered number: 5265451

BALANCE SHEET
As at 4 May 2014

	Note	£M	**4 May 2014 £M**	£M	28 April 2013 £M
Fixed assets					
Intangible assets	9		**285**		309
Tangible assets	10		**1,287**		1,303
Investments	11		**22**		22
			1,594		1,634
Current assets					
Stocks	12	6		5	
Debtors	13	312		318	
Cash at bank		16		11	
		334		334	
Creditors: amounts falling due within one year	14	(433)		(399)	
Net current liabilities			**(99)**		(65)
Total assets less current liabilities			**1,495**		1,569
Creditors: amounts falling due after more than one year	15		**(1,630)**		(1,661)
Provisions for liabilities					
Deferred tax	18		**(17)**		(21)
Net liabilities			**(152)**		(113)
Capital and reserves					
Called up share capital	19				
Profit and loss account	20		**(152)**		(113)
Shareholders' deficit	21		**(152)**		(113)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 December 2014.

S J Conner
Director

The notes on pages 11 to 25 form part of these financial statements.

I. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The company's business activity, together with the factors likely to affect its future development, performance and position are set out in the business review and future outlook section of the strategic report.

The directors are of the opinion that the company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its current borrowing facilities and comply with its financing covenants.

At the balance sheet date the company had net liabilities of£ 152m. Within this amount is a £394m subordinated loan due to another group company. This loan cannot be repaid until all the securitised debt has been repaid.

The directors have prepared the accounts on a going concern basis as the ultimate parent company, Greene King pic, has given a formal undertaking that it will provide financial support to enable the company to meet its liabilities as they fall due, for at least twelve months from the date of signing these accounts.

After making enquiries of the directors of Greene King pic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cashflow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cashflow statement in accordance with FRS I.

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill 5% straight line

I. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Long Term Leasehold Property	-	up to 50 years straights line between 3 - 20 years
Fixtures & fittings	-	straight line

Impairment

The company considers that each of its individual pubs is an income generating unit (IGU). Each IGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the IGU is compared to its recoverable amount. The recoverable amount is the higher of the IGU's net realisable value and its value in use.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Income is recognised from these investments only in relation to distributions received from post-acquisition profits.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Inter-company balances

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a loan arrangement in place that specifies repayment over a period longer than one year at the balance sheet date.

I. ACCOUNTING POLICIES (continued)

Derivatives and financial instruments

Term advances are initially stated at the amount of funds advanced, net of facility fees. Finance income is allocated to periods over the term of the loan at a constant rate on the carrying amount.

The company uses interest rate swaps to hedge its exposure to interest rate fluctuations on its variable rate loans, notes and term advances.

Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to the interest expense over the period of the swap contracts. Interest rate swaps are not revalued to fair value or shown on the company's balance sheet at the year end.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received, net of issue costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

2. TURNOVER

Turnover, which is stated net of value added tax, is derived from the provision of goods and services which fall within the company's continuing ordinary activities. The company's principal activities during the period continued to be the management of public houses, and the retailing of beers, wines, spirits and soft drinks.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
Amortisation - intangible fixed assets	**24**	24
Depreciation of tangible fixed assets:		
- owned by the company	**36**	33
Operating lease rentals:		
- other operating leases	**10**	10

Auditor's remuneration for both audit and non-audit services has been borne by other group undertakings. The audit fee for the Greene King pic group for the 53 weeks ended 4 May 2014 was £336,000 (20 13 - £326,000), of which an audit fee of£ 15,000 (2013 - £ 15,000) is allocated to this subsidiary.

4. STAFF COSTS

During the period the company paid £124m (2013 - £110m) to Greene King Brewing and Retailing Limited, a fellow subsidiary undertaking. This payment was to procure the secondment of employees from two other undertakings, Greene King Services Limited and Greene King Retail Services Limited, both of whom are fellow subsidiaries of Greene King pic.

The average monthly number of seconded employees, including the directors, during the period was as follows:

	53 weeks ended 4 May 2014 No.	52 weeks ended 28 April 2013 No.
Retailing	**12,703**	12,302

The figure above includes 6,826 (2013 - 5,385) part-time employees.

Pension contributions in respect of the employees working for the company are borne by the fellow group undertakings mentioned above.

The directors who held office during the period were also directors of fellow group undertakings. Total emoluments, including any pension contributions, received by these directors totals £5m (20 13 - £4m) and were paid by the ultimate parent company or other group companies. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and to fellow group undertakings. The number of directors who received or exercised share options during the period was 9 (2013 - 6).

5. INTEREST RECEIVABLE

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
Interest receivable from group undertakings	**2**	2

6. INTEREST PAYABLE

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
On borrowings	**82**	78
Interest payable to group undertakings	**51**	50
	133	128

7. EXCEPTIONAL ITEMS

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
Impairment of tangible fixed assets	**39**	18
Loss on disposal of tangible fixed assets	**I**	I
Insurance proceeds receivable	**(4)**	(I)
	36	18

8. TAXATION

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
Analysis of tax charge/(credit) in the period		
Current tax (see note below)		
UK corporation tax charge on loss for the period	**5**	6
Adjustments in respect of prior periods	**I**	
Total current tax	6	6
Deferred tax		
Origination and reversal of timing differences	**(I)**	(7)
Tax credit in respect of rate change	**(3)**	(I)
Total deferred tax (see note 18)	**(4)**	(8)
Tax on loss on ordinary activities	**2**	(2)

8. TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%). The differences are explained below:

	53 weeks ended 4 May 2014 £M	52 weeks ended 28 April 2013 £M
Loss on ordinary activities before tax	**(37)**	(22)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.8% (2013 - 23.9%)	**(8)**	(5)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**14**	10
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	
Capital allowances in excess of depreciation	**I**	
Adjustments to tax charge in respect of prior periods	**I**	
Group relief	**(2)**	(I)
Current tax charge for the period (see note above)	**6**	6

The Finance Act 2013 reduced the rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The lower rate of 20% has been used to determine the deferred tax liability as the temporary differences are expected to reverse at the lower rate. The effect of the reduced rate is a deferred tax credit of £3m in the period.

Factors that may affect future tax charges

Based on current capital investment plans, it is anticipated that capital allowance claims will be in excess of depreciation in future years. No provision has been made for deferred tax on gains on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the properties were sold without it being possible to claim rollover relief. The total amount unprovided for is £54m (2013 - £74m).

9. INTANGIBLE FIXED ASSETS

	Goodwill £M
Cost	
At 29 April 2013 and 4 May 20 14	473
Amortisation	
At 29 Apri12013	164
Charge for the period	24
At 4 May 2014	188
Net book value	
At 4 May 2014	285
At 28 April 2013	309

Goodwill is being amortised evenly over the directors' estimate of its useful economic life of 20 years.

10. TANGIBLE FIXED ASSETS

	Land and buildings £M	**Fixtures & fittings £M**	**Total £M**
Cost			
At 29 April 2013	**1,303**	**293**	**1,596**
Additions	**58**	**37**	**95**
Disposals	**(57)**	**(8)**	**(65)**
At 4 May 2014	**1,304**	**322**	**1,626**
Depreciation			
At 29 April 2013	**127**	**166**	**293**
Charge for the period	**5**	**31**	**36**
On disposals	**(25)**	**(4)**	**(29)**
Impairment charge	**39**		**39**
At4 May 2014	**146**	**193**	**339**
Net book value			
At 4 May 2014	**1,158**	**129**	**1,287**
At 28 April 2013	1,176	127	1,303

The net book value of land and buildings comprises:

	4 May2014	28 April 2013
	£M	£M
Freehold properties	1,100	1,117
Long leasehold properties	58	59
	1,158	1,176

Impairment

During the period £39m of impairment losses (20 13 - £18m) were recognised in the profit and loss account.

The company considers that each of its individual pubs is an income generating unit (IGU). Each IGU is reviewed annually for indicators of impairment.

When indicators of impairment are identified the carrying value of the IGU is compared to its recoverable amount. The recoverable amount is the higher of the IGU's net realisable value and its value in use.

The company estimates value in use using a discounted cashflow model. The key assumptions used are the discount rate applied to cashflow projections of 9% and the projected cashflows extrapolated using an average growth rate of 2% taking into account current economic conditions. Other commercial assumptions relating to individual IGUs have been made based on historic trends adjusted for management's estimates of medium term trading prospects.

The impairment recognised in the estate is primarily as a result of the reduced trading performance of a relatively small number of pubs due to a combination of site specific trading circumstances and the general weakening of the UK consumer environment seen in the period.

£19m of the impairment recognised in the period is in respect of the sale of 256 non core tenanted and leased pubs to Hawthorn Leisure Limited, backed by Avenue Capital Group and Map Capital LLP.

II. INVESTMENTS

	Investments in subsidiary companies £M
Cost or valuation	
At 29 April2013 and 4 May 2014	**22**
Net book value	
At4 May 2014	**22**
At 28 April 2013	22

The following were principal subsidiary undertakings of the company, all subsidiaries were incorporated in England & Wales:

Company name	Percentage Principal activity Shareholding	Class of share
Sapphire Food North East No. 1 Limited	Property leasing 100 %	Ordinary & deferred shares
Sapphire Food South West No. 2 Limited	Property leasing 100 %	Ordinary & deferred shares
Sapphire Food North West No. 3 Limited	Property leasing 100 %	Ordinary & deferred shares
Sapphire Food South East No. 4 Limited	Property leasing 100 %	Ordinary & deferred shares
Sapphire Rural Destination No. 5 Limited	Property leasing 100 %	Ordinary & deferred shares
	Property leasing 100 %	

12. STOCKS

	4 May 2014 £M	28 April 2013 £M
Finished goods and goods for resale	**6**	5

The difference between purchase price or production cost of finished goods and their replacement cost is not considered to be material.

13. DEBTORS

	4 May 2014 £M	28 April 2013 £M
Due after more than one year		
Amounts owed by group undertakings	**115**	115
Due within one year		
Trade debtors	**9**	8
Amounts owed by group undertakings	**182**	187
Other debtors	**3**	4
Prepayments and accrued income	**3**	4
	312	318

14. CREDITORS:

Amounts falling due within one year

	4 May 2014 £M	28 April 2013 £M
Term advances (note 16)	**31**	29
Trade creditors	**130**	79
Amounts owed to group undertakings	**231**	231
Corporation tax	**1**	1
Other taxation and social security	**4**	24
Accruals and deferred income	**36**	35
	433	399

15. CREDITORS:

Amounts falling due after more than one year

	4 May 2014 £M	28 April 2013 £M
Term advances (note 16)	**1,236**	1,267
Subordinated loan	**394**	394
	1,630	1,661

The subordinated loan is not repayable until all other borrowings have been repaid. This is currently scheduled to be December 2036. Interest accrues at 12.5% per annum and can only be paid if the Greene King Retailing Parent Limited group meets its financial covenants.

16. BORROWINGS

	Within one year £M	After one year £M	4May 2014 £M
Term Advances with Greene King Finance plc			
Term Advances A1	9	123	132
Term Advances A2	4	243	247
Term Advances A3	11	85	96
Term Advances A4	-	259	259
Term Advances A5	7	250	257
Term Advances AB1	-	60	60
Term Advances B1	-	121	121
Term Advances B2	-	100	100
	31	1,241	1,272
Deferred issue costs	-	(8)	(8)
Sub total	31	1,233	1,264
Interest provision	-	3	3
	31	1,236	1,267
	-		

During the period Greene King plc purchased the ABI Term Advances.

	Within one year £M	After one year £M	28 April 2013 £M
Term Advances with Greene King Finance plc			
Term Advances A1	9	132	141
Term Advances A2	4	247	251
Term Advances A3	10	96	106
Term Advances A4		259	259
Term Advances A5	6	257	263
Term Advances AB1		60	60
Term Advances B1		121	121
Term Advances B2		100	100
	29	1,272	1,301
Deferred issue costs		(8)	(8)
	29	1,264	1,293
Interest provision		3	3
	29	1,267	1,296

Maturity of financial liabilities and expiry of facilities

	4 May 2014 £M	28 April 2013 £M
Within one year or on demand	**31**	29
Between one and two years	**32**	31
Between two and five years	**109**	103
After five years	**1,095**	1,133
	1,267	1,296

Securitised debt

Greene King Finance pic has issued various tranches of bonds totalling £1,500m, in connection with the securitisation of 2,035 pubs held by the company at the date of the most recent tap. The company has issued term advances to Greene King Finance pic with similar terms to the bonds issued by Greene King Finance pic. The term advances are secured over the company's properties and their future income streams.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to the company. These include covenants regarding the maintenance and disposal of properties and restrictions on its ability to move cash outside of the company.

17. FINANCIAL INSTRUMENTS AND LOAN CAPITAL

The company's objectives and policies on the use of financial instruments are detailed below. All financial assets and liabilities are denoted in sterling.

	Repayment date	Nominal interest rate	Nominal value 4 May 2014 £M	Carrying value 4 May 2014 £M
Securitised debt with Greene King Finance plc				
Term Advances A1	2012 to 2031	Variable	132	131
Term Advances A2	2005 to 2031	5.32%	247	244
Term Advances A3	2006 to 2021	Variable	96	95
Term Advances A4	2021 to 2034	5.11%	259	257
Term Advances A5	2008 to 2033	Variable	257	257
Term Advances AB1	2033 to 2036	Variable	60	60
Term Advances B 1	2031 to 2034	5.70%*	121	120
Term Advances B2	2034 to 2036	Variable	100	99

*Fixed at 5.702% until 2020 then payable/receivable at three month sterling LIBOR plus a margin of 0.72%.

The interest on the A I, A3, A5, AB I and B2 Term Advances is payable at three month sterling LIBOR plus a margin of 0.95%, 0.50%, 1.00%, 2.10% and 0.83% respectively. Repayment is made on quarterly dates within the date ranges shown above.

Analysis of interest rate exposure and fair values of financial liabilities and assets:

	Effective Interest rate	Weighted Average Period Rate Fixed (years)	Fair Value 4 May 2014 £M	Carrying value 4 May 2014 £M
Financial liabilities				
Term Advances				
-Fixed rate	5.465%	19	678	622
- Swapped into fixed rate	7.298%	18	617	642
Financial assets				
Cash - Floating rate			16	16

	Effective Interest rate	Weighted Average Period Rate Fixed (years)	Fair Value 28 April 2013 £M	Carrying value 28 April 2013 £M
Financial liabilities				
Term Advances				
-Fixed rate	5.465%	20	652	625
- Swapped into fixed rate	7.149%	19	608	668
Financial assets				
Cash - Floating rate			12	12

Market values have been used to determine the fair value of term advances. The fair value of the interest rate swap is based on quotation from the counterparty and is the expected amount that would be paid, or received on termination of the agreement. Carrying values are net of deferred finance fees. The fair values and effective interest rates of all other items have been calculated by discounting future cashflows by reference to the market yield curve at the balance sheet date The fair value of cash is not materially different from book value. The amounts shown above take into account the interest rate swaps used to manage the interest rate exposure.

The fair value net liability of the interest rate swap was £171m (20 13 - £235m). The weighted average interest rate of the financial liabilities is 6.4% (2013 - 6.4%), with weighted average fixed period of 18 years (20 13 - 19). The main risk arising from the company's financial instruments is interest rate risk.

Interest rate risk
The company borrows at both fixed and floating rates of interest and uses interest rate swaps to manage the exposure to interest fluctuations on the floating rate portion of borrowings. The company's policy is to keep I 00% of its borrowings at fixed rates of interest to mitigate the interest rate risk. At the period end I 00% of borrowings were fixed after taking account of interest rate swaps.

Hedging
The company's pol icy is to hedge exposure to interest rate risk. Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is recognised.

The net expected loss on financial instruments used for hedging to be recognised in the profit and loss account in the following period is £37m (2013 - loss of £31m). The actual loss recognised in the profit and loss account during the period was £31m (2013 - £30 m).

18. DEFERRED TAXATION

	4 May 2014 £M	28 April 2013 £M
At beginning of period	21	29
Credit to profit and loss for the period	(4)	(8)
At end of period	17	21

The provision for deferred taxation is made up as follows:

	4 May 2014 £M	28 April 2013 £M
Accelerated capital allowances	17	21

19. SHARE CAPITAL

	4 May 2014 £	28 April 2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1		

20. RESERVES

	Profit and loss account £M
At 29 April 2013	(113)
Loss for the period	(39)
At 4 May 2014	(152)

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	4 May 2014 £M	28 April 2013 £M
Opening shareholders' deficit	**(113)**	(93)
Loss for the period	**(39)**	(20)
Closing shareholders' deficit	**(152)**	(113)

22. OPERATING LEASE COMMITMENTS

At 4 May 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	4 May 2014 £M	28 April 2013 £M	4 May 2014 £M	28 April 2013 £M
Expiry date:				
After more than 5 years	**10**	10		

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption permitted by FRS 8 from the requirement to disclose transactions with the ultimate parent company, Greene King pic, or with any fellow subsidiaries within the group.

24. POST BALANCE SHEET EVENTS

On 1 May 2014 contracts exchanged for the sale of 256 non core tenanted and leased pubs to Hawthorn Leisure Limited, backed by Avenue Capital Group and May Capital LLP, for a total consideration of £71 m. The sale completed on 2 June 2014. £19m of the current years impairment charge relates to this transaction.

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 4 May 2014, the directors consider the immediate controlling party of Greene King Retailing Limited to be Greene King Retailing Parent Limited, a company incorporated in England and Wales.

The ultimate controlling party is Greene King pic, a company registered in England and Wales. This is also the undertaking of the largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 IQT.

Greene King Retailing Limited

Annual Report and Financial Statements

3 May 2015

Registered number: 5265451

Company information

Directors	R Anand SJ Connor K Davis C Houlton R Lewis K Milbanks
Company secretary	Mrs L A Keswick
Registered number	5265451
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
Auditor	Ernst & Young LLP One Cambridge Business Park Cambridge CB4 0WZ

Strategic report

The directors present their Strategic report for the 52 week period ended 3 May 2015.

Business review and future outlook

The company's principal activity during the period continued to be the management of securitised public houses, and the retailing of beers, wines, spirits and soft drinks.

The company's strategy is to improve growth through increasing its exposure to the more attractive categories in the company's markets, such as food, coffee, wine and rooms, and by increasing the level of influence and control the company has over its offers in these categories. In order to achieve this most efficiently the company aims to grow its managed pub business and improve the overall quality of the estate through targeted acquisition and investment in its people, offers and assets. The company aims to improve the quality and sustainability of its tenanted and leased business, by improving the customer offer, investing in core assets and reducing the size of the estate.

The key financial and other performance indicators during the period were as follows:

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m	Change %
Revenue	677	655	+ 3.4%
Pre-exceptional operating profit	150	157	- 4.5%
Pre-exceptional operating margin	22.2%	24.0%	
EBITDA	185	193	- 4.2%
Outstanding bond issuance	1,241	1,272	- 2.4%
Number of pubs at period end			
- Tenanted	818	1,112	- 26.4%
- Managed	688	645	+ 6.7%

This has been another successful period for Greene King Retailing Limited with record revenue, up 3.4% to £677m. Pre-exceptional operating margin fell slightly to 22.2% due to the impact of the changing channel mix, as the managed business grows it share of revenue.

The increase in the proportion of managed pubs has driven substantial growth in EBITDA per pub during the period, up 13.9% to £123,000. The debt service ratio has remained stable at 1.5 despite increased principle repayments and interest costs.

During the period the company disposed of 289 tenanted pubs. The company acquired 38 managed pubs for a consideration of £74m. In addition 5 pubs were transferred from the company's tenanted to managed businesses.

Principal risks and uncertainties

Formal risk management processes are in place across the company to identify and evaluate risks, taking into account the likelihood of their occurrence and the scale of potential impact on the business.

The principal risks and uncertainties facing the company are broadly grouped as - economic and market risks, financial risks, regulatory risks and operational and people risks.

Economic and market risks

The wider economic situation within the UK continues to affect consumer confidence and the company also faces increasing competitor activity. The consequential impact could reduce revenue, profitability and lead to lower growth rates.

The company aims to mitigate this risk by focusing on value, service and quality to appeal to a broad range of consumers and to ensure there is a broad geographical spread of pubs including London and the south east. The company continues with innovation projects, training and support for tenants.

Strategic report

Financial risks

The company's financing structure requires it to be able to repay capital borrowed and interest on time and to ensure that the company operates within certain financial covenants. Breaching the financial covenants would have a significant impact on the company's ability to reinvest cash back into the business.

The company's long term strategy and yearly business plans are formulated to ensure that financial covenants can be met and management monitor this on a regular basis.

The company is reliant on maintaining sound systems of internal control to deal accurately with the large numbers of transactions undertaken by the business and to ensure compliance with statutory obligations particularly with regard to taxation. Inadequate internal control systems increase the risk of fraud being perpetrated against the company. It could also impact the company's reputation and ongoing creditworthiness.

The company's systems of internal controls include appropriately qualified staff, segregation of duties and authority levels for expenditure and payments.

Regulatory risks

The company will need to comply with the pubs code to be introduced under the Small Business, Enterprise and Employment Act 2015. The mandatory "market rent only option" to be introduced and the other provisions thereof could increase costs in the tenanted pub business.

New, innovative agreements are being introduced to minimise the impact of the pubs code.

The company is required to comply with a wide range of health & safety legislation, including in the areas of food safety and fire safety. Serious illness, injury or even loss of life to one of the company's customers, employees or tenants could have a significant impact on the company's reputation.

The company has a comprehensive range of formally documented policies and procedures in place, including centrally managed system of compliance key performance indicator tracking and internal and independent audits to ensure compliance with current legislation and approved guidance.

Operational and people risks

Brand damage caused by poor service standards, food provenance issues or other factors could deter customers.

The company has tight controls in place to protect and enhance its reputation and brand values.

The company is reliant on the quality of its employees and licensees. A failure to attract, develop, retain and motivate the best employees at all levels of the organisation and the best tenants may mean that the company is not able to execute its business plans and strategy.

A branded recruitment plan is in place with a strong pipeline of suitable candidates. Remuneration packages are benchmarked to ensure they remain competitive and career development programmes are in place to retain key employees.

The company is reliant on information systems and technology for many aspects of the business. An inability to quickly recover key operating systems could impact its ability to do business and cause reputational damage.

The company's networks are protected by firewalls and anti-virus protection systems. A business continuity plan is in place for critical business processes.

This report was approved by the board on 28 January 2016 and signed on its behalf.

K Davis
Director

Directors' report

The directors present their annual report and financial statements for the 52 week period ended 3 May 2015.

Results and dividends

The profit after tax and interest was £2m (2014 - loss of £25m) and the directors do not recommend the payment of a dividend (2014 - £nil).

Directors and their interests

The directors during the period and to the date of this report, except stated otherwise, were as follows:

R Anand	
SJ Connor	(appointed 8 September 2014)
K Davis	(appointed 26 January 2015)
M Fearn	(resigned 29 September 2014)
C Houlton	
S Jebson	(resigned 28 February 2015)
R Lewis	
K Millbanks	
J Smith	(resigned 22 August 2014)
J Webster	(resigned 31 December 2015)

None of the directors held any interest in the share capital of the company during either the current or prior periods.

The interests of the directors in the shares of the ultimate parent company, Greene King plc, are shown in the financial statements of that company, where they are directors of Greene King plc.

Future developments

The company intends to continue operating the areas of management of public houses, and the retailing of beers, wines, spirits and soft drinks for the foreseeable future.

Indemnity provision / directors' liabilities

The company has indemnified the directors of the company in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in place at the date of this report.

Employment and recruitment policies

It is the company's policy to ensure that employees are recruited, selected, developed, remunerated and promoted on the basis of their skills and suitability for the work performed. The company is committed to treating all colleagues fairly and equally and will endeavour to provide workplace adaptations and training for colleagues or candidates who have a disability and colleagues who become disabled during their employment.

The company values colleague engagement across the business and produces a monthly publication that is circulated to all employees containing company news and articles, which is circulated to all colleagues. In addition, the company provides regular briefings and presentations to staff on the company's performance and strategy as well as annual and interim results. The company operates an HMRC approved share save scheme open to all employees which helps to align employees with the performance of the company. The current scheme is due to expire later in the year and a resolution to approve a new scheme will be proposed at the AGM.

The company is a people business so it is vitally important that we recruit and train the right people to deliver value, service and quality to our customers. The company works in partnership with local communities to promote and provide opportunities for all.

Financial instruments

The primary treasury objectives of the company are to identify and manage the financial risks that arise in relation to underlying business needs, and provide secure and competitively priced funding for the activities of the company. If appropriate, the company uses financial instruments and derivatives to manage these risks.

The principal financial instruments held for the purpose of raising finance for operations are bank loans and overdraft, securitised bonds, cash and short term deposits. Other financial instruments arise directly from the operations of the company, such as trade receivables, payables, and trade loans.

Derivative financial instruments, principally interest rate swaps, are used to manage the interest rate risks related to the company's operations and financing sources. No speculative trading in derivative financial instruments is undertaken.

Directors report

Going concern

The company's business activity, together with the factors likely to affect its future development, performance and position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposure to price, credit, liquidity and cash flow risk are described in the Strategic report.

The directors are of the opinion that the company's forecast and projections, taking account of reasonably possible changes in trading performance and stress testing, show that the company should be able to operate within its current borrowing facilities and comply with its financing covenants.

At the balance sheet date the company had net liabilities of £350m and net current liabilities of £257m. Within the net liabilities is a £394m subordinated loan from other group companies. This loan cannot be repaid until all the securitised debt has been fully repaid.

The directors have prepared the financial statements on a going concern basis as the ultimate parent company, Greene King plc, has given a formal undertaking that it will provide financial support to enable the company to meet it liabilities as they fall due, for at least twelve months from the date of signing these financial statements.

After making enquiries of the directors of Greene King plc, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement as to disclosure of information to auditor

The directors who were members of the board at the time of approving this report are listed above. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditor is unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

Mrs L A Keswick
Company Secretary

Date: 28 January 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the parent company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Greene King Retailing Limited

We have audited the financial statements of Greene King Retailing Limited for the 52 week period ended 3 May 2015 which comprise the income statement, the statement of other comprehensive income, balance sheet, statement of changes in equity, and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced disclosure framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 May 2015 and of its loss for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Bob Forsyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, UK

Date: 29 January 2016

Income statement

for the 52 week period ended 3 May 2015

	Notes	**52 weeks to 3 May 2015 £m**	53 weeks to 4 May 2014 £m
Turnover	3	**677**	655
Cost of sales		**(221)**	(220)
Gross profit		**456**	435
Administrative expenses		**(306)**	(278)
Exceptional administrative expenses	4	**(16)**	(56)
Operating profit	5	**134**	101
Interest receivable and similar income	7	**2**	2
Interest payable and similar charges	8	**(129)**	(133)
Profit / (loss) on ordinary activity before taxation		**7**	(30)
Tax (expense) / credit	9	**(5)**	5
Profit / (loss) for the period	24	**2**	(25)

The notes on pages 11 to 29 form part of these financial statements.

Statement of other comprehensive income

for the 52 week period ended 3 May 2015

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Profit / (loss) for the period	**2**	(25)
Other comprehensive income		
Items that can be reclassified to profit or loss		
(Losses) / gains on cash flow hedges taken to equity	**(94)**	34
Transfers to income statement on cash flow hedges	**29**	31
Tax on items relating to components of other comprehensive income	**13**	(20)
Other comprehensive (loss) / income for the period net of tax	**(52)**	45
Total comprehensive (loss) / income for the period net of tax	**(50)**	20

The notes on pages 11 to 29 form part of these financial statements.

Balance sheet

as at 3 May 2015

	Notes	3 May 2015 £m	4 May 2014 £m
Fixed assets			
Intangible assets	10	**295**	292
Tangible assets	11	**1,420**	1,215
Tangible assets held for sale	12	**-**	72
Investments	13	**22**	22
		1,737	1,601
Current assets			
Stocks	15	**7**	6
Debtors: Amounts falling due after more than one year	16	**-**	115
Debtors: Amounts falling due within one year	16	**44**	214
Cash at bank and in hand	17	**34**	16
		85	351
Creditors: amounts falling due within one year	18	**(315)**	(433)
Financial instruments	21	**(27)**	(29)
Net current liabilities		**(257)**	(111)
Total assets less current liabilities		**1,480**	1,490
Creditors: amounts falling due after more than one year	19	**(1,594)**	(1,627)
Financial instruments	21	**(209)**	(142)
Provision for liabilities	22	**(27)**	(21)
Net liabilities		**(350)**	(300)
Capital and reserves			
Share capital	23	**-**	-
Hedging reserve	24	**(188)**	(136)
Profit and loss account	24	**(162)**	(164)
Total equity		**(350)**	(300)

The financial statements were approved and authorised for issue by the board of directors and signed on its behalf on 28 January 2016 by:

K Davis
Director

Statement of changes in equity

as at 3 May 2015

	Share Capital £m	Other reserves £m	Retained earnings £m	Total equity £m
As at 5 May 2014	-	(136)	(164)	(300)
Comprehensive income for the period				
Profit for the period	-	-	2	2
Losses on cash flow hedges taken to equity	-	(94)	-	(94)
Transfers to the income statement on cash flow hedges	-	29	-	29
Tax on cash flow hedges	-	13	-	13
Total comprehensive loss for the period	-	(52)	2	(50)
At 3 May 2015	-	(188)	(162)	(350)

	Share capital £m	Other reserves £m	Retained earnings £m	Total equity £m
As at 29 April 2013	-	(181)	(139)	(320)
Comprehensive income for the period				
Loss of the period	-	-	(25)	(25)
Losses on cash flow hedges taken to equity	-	34	-	34
Transfers to the income statement on cash flow hedges	-	31	-	31
Tax on cash flow hedges	-	(20)	-	(20)
Total comprehensive income for the period	-	45	(25)	20
At 4 May 2014	-	(136)	(164)	(300)

1. Accounting policies

Corporate information

The financial statements of Greene King Retailing Limited for the 52 weeks ended 3 May 2015 were authorised for issue by the board of directors on 28 January 2016. Greene King Retailing Limited is a limited company incorporated and domiciled in England and Wales.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (July amendment) and applicable accounting standards. The company has used a true and fair view override in respect of the non-amortisation of goodwill.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006, as it is a wholly owned subsidiary of Greene King plc. The results of Greene King Retailing Limited are included in the consolidated financial statements of Greene King plc which are publically available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

Information of the impact first-time adoption of FRS 101 is given in note 28.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

First time application of FRS 100 and FRS 101

In the current 52 weeks ended 3 May 2015 the company has early adopted FRS 100 and FRS 101. In previous periods the financial statements were prepared in accordance with applicable Generally Accepted Accounting Principles in the United Kingdom.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in note 28.

There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

Financial Reporting Standard 101 – Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations;
- the requirement of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment, because the share based payment arrangement concerns the instruments of another group entity;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirements of paragraph 8(f) of FRS101 prior period comparative disclosures in relation to fixed assets.

Going concern

The company's business activity, together with the factors likely to affect its future development, performance and position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposure to price, credit, liquidity and cash flow risk are described in the Strategic report.

The directors are of the opinion that the company's forecast and projections, taking account of reasonably possible changes in trading performance and stress testing, show that the company should be able to operate within its current borrowing facilities and comply with its financing covenants.

At the balance sheet date the company had net liabilities of £350m and net current liabilities of £257m. Within the net liabilities is a £394m subordinated loan from other group companies. This loan cannot be repaid until all the securitised debt has been fully repaid.

The directors have prepared the financial statements on a going concern basis as the ultimate parent company, Greene King plc, has given a formal undertaking that it will provide financial support to enable the company to meet it liabilities as they fall due, for at least twelve months from the date of signing these financial statements.

After making enquiries of the directors of Greene King plc, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Revenue

Generally, revenue represents external sales (excluding taxes) of goods and services, net of discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and is measured at the fair value of consideration receivable, excluding discounts, rebates, and other sales taxes. Revenue principally consists of drink, food and accommodation sales, which are recognised at the point at which goods or services are provided, rental income, which is recognised on a straight line basis over the lease term and machine income, where net takings are recognised as earned.

Goodwill

Goodwill arising from the premium paid on businesses acquired is amortised over its estimated useful life of twenty years. Goodwill is considered for impairment when an impairment indicator arises. The company reviews goodwill over the total pub estate. When indicators of impairment are identified the carrying value of the goodwill is compared to its recoverable amount being the higher of net realisable value and value in use.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit and loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life.

Had the company amortised goodwill a period of 20 years would have been chosen as the useful life for goodwill. The loss for the period would have been £24m higher had goodwill been amortised. However under IFRS 3 Business Combinations goodwill is not amortised, the company does not amortise goodwill but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a "true and fair override" to overcome the prohibition on the amortisation of goodwill in the Companies Act 2006.

The company has taken the exemption available under paragraph 8(f) of FRS 101 with regard to prior period comparative disclosures.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated, freehold buildings are depreciated to their estimated residual values over periods up to fifty years, long leasehold properties are depreciated to their estimated residual values over periods up to fifty years, short leasehold properties are depreciated to their estimated residual values over the remaining term of the lease and furniture and equipment assets are depreciated over their estimated useful lives which range from three to twenty years. Where the carrying value of properties may not be recoverable an impairment in the value of tangible fixed assets is charged to the profit and loss account.

Residual value is reviewed at least at each financial year end and there is no depreciable amount if residual value is the same as, or exceeds, book value.

Residual values, useful lives and methods of depreciation are reviewed for all categories of property, plant and equipment and adjusted, if appropriate, at each financial year end.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Profit or loss on de-recognition is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and is included in the income statement in the year of de-recognition.

Impairment

Property, plant and equipment

Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash inflows independent of the cash inflows of other groups of assets.

An assessment is made at each reporting date as to whether there is an indication of impairment. If an indication exists, the company makes an estimate of the recoverable amount of each asset group. An asset's or cash generating unit's recoverable amount is the higher of its fair value less costs of disposal and value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised where the recoverable amount is lower than the carrying value of assets. If there is an indication that any previously recognised impairment losses may no longer exist or may have decreased, a reversal of the loss may be made only if there has been a change in the estimates used to determine the recoverable amounts since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount only up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairment losses and any subsequent reversals are recognised in the income statement.

Details of the impairment losses recognised in respect of tangible fixed assets are provided in note 11.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units (or groups of cash-generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated represents the lowest level within the group at which goodwill is monitored for internal management purposes and cannot be larger than an operating segment before aggregation.

Impairment is determined by the recoverable amount of an operating segment. Where this is less than the carrying value of the operating segment an impairment loss is recognised immediately in the income statement. This loss cannot be reversed in future periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, any goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Goodwill amortised prior to the conversion to FRS 101 on 28 April 2013 has not been reinstated and the net book value of goodwill at that date has been carried forward as the carrying value.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Derivatives and financial instruments

The company uses interest rate swaps to hedge its exposure to interest rate fluctuations on its variable rate term loans.

Interest rate swaps are initially measured at fair value, if any, and carried on the balance sheet as an asset or liability. Subsequent measurement is at fair value determined by reference to market values for similar instruments. If a derivative does not qualify for hedge accounting the gain or loss arising on the movement in fair value is recognised in the income statement.

Hedge accounting

To qualify for hedge accounting the hedge relationship must be designated and documented at inception. Documentation must include the risk management objective and strategy for undertaking the hedge and formal allocation to the item or transaction being hedged. The company also documents how it will assess the effectiveness of the hedge and carries out assessments on a regular basis to determine whether it has been, and is likely to continue to be, highly effective. Hedges can be classified as either fair value (hedging exposure to changes in fair value of an asset or liability) or cash flow (hedging the variability in cash flows attributable to an asset, liability, or forecast transaction). The company uses its interest rate swaps as cash flow hedges.

Cash flow hedge accounting

The effective portion of the gain or loss on an interest rate swap is recognised directly in equity, whilst any ineffective portion is recognised immediately in the income statement.

Amounts taken to equity are transferred to the income statement in the same period that the financial income or expense is recognised, unless the hedged transaction results in the recognition of a non-financial asset or liability whereby the amounts are transferred to the initial carrying amount of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting, amounts previously recognised in equity are held there until the previously hedged transaction affects profit or loss. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is immediately transferred to the income statement.

Income taxation

The income tax expense comprises both the income tax payable based on profits for the period and the deferred income tax. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities. Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred taxation

Deferred tax is provided for using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred tax is recognised for all temporary differences except where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or, in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax losses only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured, on an undiscounted basis, at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received, net of issue costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

Interest costs and income

Interest costs are expensed to the income statement using the effective interest method. Interest income is recognised in the income statement using the effective interest method.

Trade receivables

Trade receivables are recorded at their original invoiced amount less an allowance for any doubtful amounts when collection of the full amount is no longer considered probable.

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Inter-company balances

Amounts owed by or to company undertakings are classified as short term assets or liabilities unless there is a formal loan arrangement in place that specifies repayment over a period longer than one year from the balance sheet date.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Exceptional items

Exceptional items are defined as items of income or expense which, because of their nature, size or expected frequency, merit separate presentation to allow a better understanding of the financial performance in the period.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The company bases its estimates and judgments on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates.

The estimates and judgments considered to be significant are detailed below:

Taxation

Judgment is required when determining the provision for taxes as the tax treatment of some transactions cannot be finally determined until a formal resolution has been reached with the tax authorities. Assumptions are also made around the assets which qualify for capital allowances and the level of disallowable expenses and this affects the income tax calculation. Provisions are also made for uncertain exposures which can have an impact on both deferred and current tax. Tax benefits are not recognised unless it is probable that the benefit will be obtained and tax provisions are made if it is possible that a liability will arise. The final resolution of these transactions may give rise to material adjustments to the income statement and/or cashflow in future periods. The company reviews each significant tax liability or benefit each period to assess the appropriate accounting treatment.

Impairment of goodwill

The company determines whether goodwill is impaired on at least an annual basis. Details of the tests and carrying value of the assets are shown in note 10. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Value-in-use calculations require assumptions to be made regarding the expected future cash flows from the cash-generating unit and choice of a suitable discount rate in order to calculate the present value of those cash flows. If the actual cash flows are lower than estimated, future impairments may be necessary.

Impairment of tangible fixed assets

The company determines whether tangible fixed assets are impaired where there are indicators of impairment. This requires an estimation of the value-in-use and fair value less costs of disposal at a site level. Value-in-use calculations require assumptions to be made regarding the expected future cash flows from the cash generating unit and choice of a suitable discount rate in order to calculate the present value of those cash flows.

Note 11 describes the assumptions used in the impairment testing of tangible fixed assets together with an analysis of the sensitivity to changes in key assumptions.

Residual values

Residual values of property are determined with reference to current market property trends. If residual values were lower than estimated, an impairment of asset value and reassessment of future depreciation charge may be required. Useful lives are reassessed annually which may lead to an increase or reduction in depreciation accordingly.

3. Turnover

Turnover, which is stated net of value added tax, is derived from the provision of goods and services in the United Kingdom which fall within the company's continuing ordinary activity. The principal business activity is the management of securitised public houses.

4. Exceptional items

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Impairment of tangible fixed assets	**17**	39
Impairment of intangible fixed assets	**-**	11
Net (profit) / loss on disposal of tangible and intangible assets	**(1)**	6
	16	56

During the period the company recognised an impairment loss of £17m (2014 - £39m) in respect of its licenced estate. The impairment has been recognised in respect of pubs where the higher of value-in-use and fair value less costs of disposal has fallen below the net book value.

The net profit on disposal of tangible and intangible assets of £1m (2014 - £6m loss) comprises a total profit on disposal of £6m (2014 - £5m) and a total loss on disposal of £5m (2014 - £11m).

5. Operating profit

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Operating profit is stated after charging/(crediting):		
Operating lease rentals – minimum lease rentals	**1**	1
Depreciation of owned tangible fixed assets (note 11)	**35**	36
Impairment of tangible fixed assets (note 11)	**17**	39
Impairment of intangible fixed assets	**-**	11
Net (profit) / loss on disposal of tangible fixed assets and goodwill	**(1)**	6

Auditor's remuneration for both audit and non-audit services has been borne by other company undertakings. The audit fee for the Greene King plc company for the 52 weeks ended 3 May 2015 was £0.3m (2014 - £0.3m), of which an audit fee of £15,000 (2014 - £15,000) is allocated to this company.

6. Employment costs

During the period the company paid £139m (2014 - £124m) to Greene King Brewing and Retailing Limited, a fellow group undertaking. This payment was to procure the secondment of employees from two other companies, Greene King Services Limited and Greene King Retail Services Limited, both of whom are fellow subsidiaries of Greene King plc.

The average number of employees (including executive directors) seconded during the period was as follows:

	52 weeks to 3 May 2015 No.	53 weeks to 4 May 2014 No.
Retailing	**14,793**	12,703

The figure above includes 9,355 (2014 - 6,826) part-time employees.

Pension contributions in respect of the employees working for the company are borne by fellow group undertakings mentioned above.

The directors who held office during the period were also directors of fellow company undertakings. Total emoluments, including any pension contributions, received by these directors totals £4m (2014 - £5m) paid by the ultimate parent company or other group undertakings. The directors do not believe that it is practicable to apportion this amount between qualifying services as directors to the company and of fellow company undertakings. The number of directors who received or exercised share options during the period was 7 (2014 - 9).

7. Interest receivable

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Interest receivable from group undertakings	**2**	2

8. Interest payable and similar charges

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Borrowings	**79**	82
Subordinated loans from group undertakings	**50**	51
	129	133

9. Taxation

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Current income tax		
UK Corporation tax	**5**	5
Adjustment in respect of prior periods	**-**	1
	5	6
Deferred taxation		
Origination/reversal of timing differences in the period	**-**	(5)
Credit in respect of rate change	**-**	(6)
	5	(11)
Tax expense / (credit) in the income statement	**5**	(5)

Reconciliation of tax expense / (credit) for period

The tax expense in the income statement is higher than (2014 - higher) than the standard rate of corporation tax of 20.9% (2014 – 22.8%). The differences are explained below:

	52 weeks to 3 May 2015 £m	53 weeks to 4 May 2014 £m
Profit / (loss) on ordinary activity before tax	**7**	(30)
Profit / (loss) on ordinary activity multiplied by standard rate corporation tax in the UK of 20.9% (2014 – 22.8%)	**1**	(7)
Effects of:		
Expenses not deductible for tax purposes	**-**	12
Adjustment in respect of prior periods	**-**	1
Deferred tax credit in respect of licensed estate	**6**	(3)
Deferred tax credit in respect of rate change	**-**	(6)
Group relief received for nil consideration	**(2)**	(2)
	5	(5)

During the period a deferred tax credit of £13m (2014: charge of £20m) has been recognised in the Statement of other comprehensive income relating to the net (losses) / gains on cash flow hedges taken to equity.

Factors that may affect future tax charges

The Finance Act 2013 reduced the rate of corporation tax from 21% to 20% from 1 April 2015.

The Finance Act (No.2) 2015 further reduced the corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020. These further reductions had not been substantively enacted at the balance sheet date and consequently are not included in these financial statements.

The above changes to the rate of corporation tax may impact the amount of future cash tax payments to be made by the company.

10. Goodwill

	£m
Cost	
At 4 May 2014	**292**
Acquisitions	**5**
Disposals	**(2)**
	295
Net book value	
At 3 May 2015	**295**
At 4 May 2014	292

Goodwill has been allocated to operating segments, the lowest group of cash generating units in the company at which goodwill is monitored internally, based on the extent that the benefits of acquisitions flow to that segment.

Goodwill disposed of in the period is the amount of goodwill allocated to parts of operating segments disposed of during the period. The amount disposed is calculated based on the relative value of the operation disposed and the portion of the operating segment retained.

The recoverable amount was determined on a value-in use basis, using cash flow projections based on one year budgets approved by the board, and in all cases exceeded the carrying amount.

The key assumptions used in the value-in-use calculations are budgeted EBITDA, the pre-tax discount rate and the growth rate used to extrapolate cash flows beyond the budgeted period.

Budgeted EBITDA is based on past experience adjusted to take account of the impact of expected changes to sales prices, volumes, business mix and margin, based on the current estate and committed capital expenditures.

Cash flows are discounted at 9.0% (2014: 9.0%) which is used as an approximation for the risk-adjusted discount rate of the relevant operating segment. A growth rate of 1.0% (2014: 2.0%) has been used to extrapolate cash flows. The growth rate is below the long-term average growth rate for the industry and reflects trends in trading performance.

Further details of the adjustments to goodwill following conversion to FRS 101 are included in note 28.

Sensitivity to changes in assumptions

The calculation is most sensitive to changes in the assumptions used for budgeted cash flow, pre-tax discount rate and growth rate. Management consider that reasonable possible changes in assumptions would be an increase in discount of 1% point, a reduction in growth rate of 1% point or a 10% reduction in budgeted cash flow. As an indication of sensitivity, when applied to the value-in-use calculation none of these changes would have resulted in an impairment of goodwill in the period.

11. Tangible fixed assets

	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
Cost			
At 4 May 2014	1,203	322	1,525
Additions	215	50	265
Disposals	(18)	(14)	(32)
At 3 May 2015	1,400	358	1,758
Depreciation			
At 4 May 2014	117	193	310
Charge for the period	5	30	35
Impairment	17	-	17
Disposals	(16)	(8)	(24)
At 3 May 2015	123	215	338
Net book value			
At 3 May 2015	1,277	143	1,420
At 4 May 2014	1,086	129	1,215

The net book value of land and buildings may be further analysed as follows:

	2015 £m	2014 £m
Freehold	**1,228**	1,037
Leasehold properties > 50 years unexpired term	**38**	38
Leasehold properties < 50 years unexpired term	**11**	11
	1,277	1,086

Impairment

During the period £17m of impairment losses (2014: £39m) were recognised in the income statement as exceptional administrative expenses.

The company considers that each of its individual pubs is a cash generating unit (CGU). Each CGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the CGU is compared to its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value-in-use.

The company estimates value-in-use using a discounted cash flow model. The key assumptions used are the discount rate applied to cash flow projections of 9% (2014: 9%) and the projected cash flows extrapolated using an average growth rate of 1% (2014: 2%) which is below the long-term average growth rate for the industry and reflects trends in trading performance. Cash flow projections relating to individual CGUs have been made based on historic trends adjusted for management's estimates of medium term trading prospects.

Estimates of fair value less costs of disposal are based on valuations undertaken by in-house property experts. The valuation considers assumptions such as current, and future projected income levels, which take account of the location and quality of the pub. In addition recent market transactions in the sector and potential alternative use values have been considered.

The valuation techniques applied are consistent with the principles in IFRS13 Fair Value Measurement. As they use significant unobservable inputs they are classified within Level 3 of the fair value hierarchy.

The impairment charge recognised in relation to a small number of pubs was driven by changes in the local competitive and trading environment at their respective sites, and decisions taken to exit some sites where current market values are lower than book values.

Sensitivities to change in assumptions

The level of impairment is predominantly dependent upon judgments used in arriving at fair values, future growth rates and the discount rate applied to cash flow projections. The impact on the impairment charge of applying different assumptions to fair values, the growth rates used to calculate cash flow projections and in the pre-tax discount rates would be as follows:

	2015	2014
	£m	£m
Increased impairment resulting from a 10% reduction in fair value less cost of disposal	**5**	5
Increased impairment resulting from a 1% increase in discount rate	**4**	3
Increased impairment resulting from a 1% reduction in growth rate	**4**	3

12. Tangible assets held for sale

At the period end, tangible fixed assets held for sale of £nil (2014 - £72m) represents pubs that are being actively marketed for sale with expected completion dates within one year. The value of tangible fixed assets held for sale represents the expected net disposal proceeds. The impairment charge on reclassification to assets held for sale for these sites was £nil (2014 - £19m), and is included as an exceptional item (see note 9).

13. Investments

	2015	2014
	£m	£m
Shares in subsidiaries at cost	**22**	22

The following were subsidiary undertakings of the company, all subsidiaries were incorporated in England and Wales, they all held property until January 2015, when they all operated as financing companies:

Name of company	**Principal Activity**	**Holding**	**Shares held**
Sapphire Food North East No.1 Limited	Financing	Ordinary shares	100%
Sapphire Food South West No.2 Limited	Financing	Ordinary shares	100%
Sapphire Food North West No.3 Limited	Financing	Ordinary shares	100%
Sapphire Food South East No.4 Limited	Financing	Ordinary shares	100%
Sapphire Rural Destination No.5 Limited	Financing	Ordinary shares	100%

14. Business combinations

On 30 May 2014 the company acquired 38 sites from Greene King Brewing and Retailing Limited, a fellow group undertaking for consideration of £74m settled in cash.

The fair value of the identifiable assets and liabilities acquired as at the date of acquisition were: tangible fixed assets £74m, stocks £1m, other payables/accruals £1m and £5m deferred tax liabilities. The fair value review was carried out by qualified surveyors employed by the Greene King plc group. Goodwill arising on acquisition was therefore £5m as disclosed in note 10.

From the date of acquisition to 3 May 2015 the acquired sites contributed revenue of £31m and operating profit of £6m to Greene King Retailing Limited.

15. Stocks

	2015	2014
	£m	£m
Finished goods for resale	**7**	6

During the period the company recognised £221m (2014: £220m) cost of stocks as an expense within cost of sales.

The difference between the purchase price or production cost of finished goods and their replacement cost is not considered to be material.

16. Debtors

	2015 £m	2014 £m
Due after more than one year		
Amounts owed by group undertakings	-	115
Due within one year		
Trade debtors	8	9
Amounts owed by group undertakings	-	182
Other debtors	2	3
Prepayments and accrued income	3	3
Deferred taxation	31	17
	44	214

17. Cash and cash equivalents

	2015 £m	2014 £m
Cash at bank and in hand	34	16

18. Creditors: amounts falling due within one year

	2015 £m	2014 £m
Term advances	33	31
Trade creditors	168	130
Amounts owed to fellow company undertakings	70	231
Corporation tax	-	1
Taxation and social securities	3	4
Accruals and deferred income	41	36
	315	433

Trade creditors and other payables are non-interest bearing. Interest payable included within accruals and deferred income is mainly settled quarterly throughout the year, in accordance with the terms of the related financial instrument.

19. Creditors: amounts falling due after one year

	2015 £m	2014 £m
Term advances	1,200	1,233
Subordinated loan	394	394
	1,594	1,627

The subordinated loan is not repayable until all other borrowings have been repaid. This is currently scheduled to be December 2036. Interest accrues at 12.5% per annum and can only be paid if the Greene King Retailing Parent Limited group, which incorporates this entity, meets its financial covenants.

20. Borrowings

	Within one year £m	2015 After one year £m	Total £m
Securitised debt with Greene King Finance plc			
Term Advances A1	9	114	123
Term Advances A2	5	238	243
Term Advances A3	12	73	85
Term Advances A4	-	259	259
Term Advances A5	7	243	250
Term Advances AB1	-	60	60
Term Advances B1	-	121	121
Term Advances B2	-	100	100
	33	1,208	1,241
Deferred issue costs	-	(8)	(8)
	33	**1,200**	**1,233**

	Within one year £m	2014 After one year £m	Total £m
Securitised debt with Greene King Finance plc			
Term Advances A1	9	123	132
Term Advances A2	4	243	247
Term Advances A3	11	85	96
Term Advances A4	-	259	259
Term Advances A5	7	250	257
Term Advances AB1	-	60	60
Term Advances B1	-	121	121
Term Advances B2	-	100	100
	31	1,241	1,272
Deferred issue costs	-	(8)	(8)
	31	**1,233**	**1,264**

During the prior period Greene King plc purchased the AB1 Term advances.

Maturity of financial liabilities and expiry of facilities

	2015 £m	2014 £m
Within one year or on demand	**33**	31
Between one and two years	**34**	33
Between two and five years	**115**	108
After five years	**1,051**	1,092
	1,233	1,264

Securitised debt

Greene King Finance plc has issued various tranches of bonds totalling £1,500.0m, in connection with the securitisation of 2,035 of the Greene King plc company's pubs held by Greene King Retailing Limited at the date of the most recent tap. Greene King Retailing Limited has issued Term advances to Greene King Finance plc with similar terms to the bonds issued by Greene King Finance plc. The bonds are secured over the properties and their future income streams.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to the company. These include covenants regarding the maintenance and disposal of properties and restrictions on its ability to move cash outside of the company.

21. Financial instruments

The company's objectives and policies on the use of financial instruments are detailed below. All financial assets and liabilities are denoted in sterling.

	2015 £m	2014 £m
Financial liabilities		
Derivatives due within 1 year	**27**	29
Derivatives due after 1 year	**209**	142
	236	171
Term advances due within 1 year	**33**	31
Term advances due after 1 year	**1,200**	1,233
Subordinated loan	**394**	394
	1,863	1,829

	Repayment date	Nominal interest rate	Nominal Value 2015 £m	Carrying Value net of deferred issue costs 2015 £m
Securitised debt with Greene King Finance plc				
Term Advances A1	2012 to 2031	Variable	**123**	**122**
Term Advances A2	2005 to 2031	5.32%	**243**	**240**
Term Advances A3	2006 to 2021	Variable	**85**	**84**
Term Advances A4	2021 to 2034	5.11%	**259**	**258**
Term Advances A5	2008 to 2033	Variable	**250**	**250**
Term Advances AB1	2033 to 2036	Variable	**60**	**60**
Term Advances B1	2031 to 2034	5.70%*	**121**	**120**
Term Advances B2	2034 to 2036	Variable	**100**	**99**
			1,241	**1,233**

*Fixed at 5.70% until 2020 then payable/receivable at three month sterling LIBOR plus a margin of 0.72%.

The interest on the A1, A3, A5, AB1 and B2 Term Advances is payable at three month sterling LIBOR plus a margin of 0.95%, 0.50%, 1.00%, 2.10% and 0.83% respectively. Repayment is made on quarterly dates within the date ranges shown above.

Cash Flow Hedges

At 3 May 2015 the company held 5 (2014: 5) interest rate swap contracts for a nominal value of £618m (2014: £645m), entered into as part of the securitisation and subsequent securitisation taps.

Interest rate swaps are valued by discounting all future cash flows by the market yield curve at the balance sheet date and adjusting for, where appropriate, the company's and counterparty credit risk. The changes in credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

A fair value liability of £236m (2014: £171m) has been recognised on the balance sheet in respect of these contracts which are designated cash flow hedges against £618m (2014: £645m) of variable rate bonds, receiving a variable rate of interest based on LIBOR and paying a weighted average fixed rate of 7.3% (2014: 7.3%). The contract maturity dates are December 2034 and March 2036. The bonds and interest rate swaps have the same critical terms excluding credit risk.

Changes in cash flow hedge fair values are recognised in the hedging reserve to the extent that the hedges are effective. The interest rate swaps have been assessed as highly effective during the period and are expected to remain highly effective over their remaining contract lives.

22. Deferred taxation

	£m
At 4 May 2014	(4)
Charged to equity	13
Arising on business combinations	(5)
At 3 May 2015	4

	2015 £m	2014 £m
Deferred tax liability		
Accelerated capital allowances	(16)	(17)
Rolled over gains and property revaluation	(27)	(21)
	(43)	(38)
Deferred tax asset (note 16)		
Derivatives	47	34
Net deferred tax asset / (liability)	4	(4)

Deferred tax assets and liabilities have been offset as follows:

	2015 £m	2014 £m
Deferred tax liability	(43)	(38)
Offset against deferred tax assets	16	17
Deferred tax liability	(27)	(21)
Deferred tax asset	47	34
Offset against deferred tax liabilities	(16)	(17)
Deferred tax asset	31	17

23. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

The directors of the company have no rights to subscribe for additional shares in the company.

24. Reserves

	Share capital £m	Hedging reserve £m	Profit and loss £m	Total £m
At 28 April 2013	-	(181)	(139)	(320)
Cash flow hedges – profit taken to equity	-	45	-	45
Loss after tax	-	-	(25)	(25)
At 4 May 2014	-	(136)	(164)	(300)
Cash flow hedges – loss taken to equity	-	(52)	-	(52)
Loss after tax	-	-	2	2
At 3 May 2015	**-**	**(188)**	**(162)**	**(350)**

25. Commitments under operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2015 £m	2014 £m
Not later than 1 year	**1**	1
Later than 1 year and not later than 5 years	**3**	3
Later than 5 years	**36**	37
	40	41

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2015 £m	2014 £m
Not later than 1 year	**27**	32
Later than 1 year and not later than 5 years	**77**	81
Later than 5 years	**45**	51
	149	164

Future minimum rentals include £2m receivable in respect of non-cancellable subleases.

26. Related party transactions

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow 100% owned group undertakings. Transactions entered into, and trading balances outstanding at 3 May 2015 with other related parties did not occur during the fiscal years 2015 and 2014.

27. Ultimate parent company

At 3 May 2015, the directors consider the immediate parent undertaking and immediate controlling party of Greene King Retailing Limited to be Greene King Retailing Parent Limited, a company incorporated in England and Wales.

The ultimate controlling party is Greene King plc, a company registered in England and Wales. Greene King Retailing Parent Limited is the smallest group which includes the results of the company and for which group accounts are prepared. Greene King Plc is the largest group which includes the results of the company and for which group accounts are prepared. Copies of its group accounts are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

28. First time adoption of FRS101

In the current 52 weeks ended 3 May 2015 the company has early adopted FRS 100 and FRS 101. In previous periods the financial statements were prepared in accordance with applicable Generally Accepted Accounting Principles in the United Kingdom. These financial statements, for the period ended 3 May 2015, are the first the company has prepared in accordance with FRS 101.

Accordingly, the company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning 4 May 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the company has started from an opening balance sheet as at 28 April 2013, the company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the company in restating its balance sheet as at 28 April 2013 prepared extant UK GAAP and its previously published UK GAAP financial statements for the 53 weeks ended 4 May 2014.

Notes to the financial statements
for the period ended 3 May 2015

	Note	28 April 2013 As previously stated £m	28 April 2013 Effect of transition £m	28 April 2013 FRS101 (as restated) £m	4 May 2014 As previously stated £m	4 May 2014 Effect of transition £m	4 May 2014 FRS101 (as restated) £m
Goodwill	1	309	-	309	285	7	292
Tangible fixed assets	2	1,303	(3)	1,300	1,287	(72)	1,215
Fixed assets held for sale	2	-	3	3	-	72	72
Fixed asset investments		22	-	22	22	-	22
		1,634	-	1,634	1,594	7	1,601
Current assets	3	334	33	367	334	17	351
Creditors: amounts falling due within one year		(399)	-	(399)	(433)	-	(433)
Financial instruments		-	(31)	(31)	-	(29)	(29)
Net current assets		(65)	2	(63)	(99)	(12)	(111)
Total assets less current liabilities		1,569	2	1,571	1,495	(5)	1,490
Creditors: amounts falling due after more than one year	3	(1,661)	3	(1,658)	(1,630)	3	(1,627)
Financial instruments		-	(204)	(204)	-	(142)	(142)
Provisions for liabilities	4	(21)	(7)	(28)	(17)	(4)	(21)
		(113)	(206)	(319)	(152)	(148)	(300)
Capital and reserves		(113)	(206)	(319)	(152)	(148)	(300)

Notes to the financial statements
for the period ended 3 May 2015

	Notes	4 May 2014 As previously stated £m	4 May 2014 Effect of transition £m	4 May 2014 FRS101 (as restated) £m
Turnover		655	-	655
Cost of sales		(220)	-	(220)
		435	-	435
Administrative expenses	1	(341)	7	(334)
Operating profit		94	7	101
Interest receivable and similar income		2	-	2
Interest payable and similar income		(133)	-	(133)
Taxation	4	(2)	7	5
Loss on ordinary activities after taxation and for the financial period		(39)	14	(25)

Explanation of changes to previously reported profit and equity:

1. Goodwill was amortised over its useful economic life under UK GAAP. On transition to FRS101 Goodwill is considered to have an indefinite life in accordance with IAS 38, and is tested annually for impairment inaccordance with IAS 36. On transition to FRS101 the company took advantage of the exemption within Appendix C of IFRS1 not to restate its business combinations and the carrying value of goodwill remains unchanged.

   For the period ending 4 May 2014, the amortisation previously recognised under UK GAAP of £24m has been reversed, and £6m of the company goodwill has been disposed of during the period relating to the relative value of the sites disposed and the portion of the operating segment retained. A further £11m of goodwill has been impaired following the announcement of the disposal of 256 non-core pubs on 1 May 2014; this disposal completed on 2 June 2014.

2. In accordance with IFRS 5, the company has recognised tangible assets held for sale representing pubs that are being actively marketed for sale with expected completion dates within one year. See note 12 for further details.

3. The company has adopted IAS 39 recognising an opening balance liability of £235m based on the fair value of the interest rate swaps held by the company, see note 21 for further details. As at 4 May 2014 the fair value of Interest rate swaps were £171m. The full movement in fair value have been recognised in the hedging reserve as the cash flow hedges have been assessed as 100% effective. Disclosed within current assets, a deferred tax asset has been recognised of £34m (2013 - £54m) in relation this liability, with the movement in 2014 being taken to the statement of comprehensive income.

4. IFRSs defines deferred tax in relation to temporary differences between carrying values and their related tax bases, rather than timing differences in the income statement, adjustments are required to recognise items forwhich no deferred tax was recognised under UK GAAP. As such, a deferred tax liability of £21m (2013 - £28m) in relation to rolled over gains and property revaluation. Deferred tax liabilities of £17m (2013 - £21m) have been offset against deferred tax assets.

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